

129110

JPRS-LAM-84-044

9 April 1984

# Latin America Report

DTIC QUALITY REFLECTED

19980819 183



FOREIGN BROADCAST INFORMATION SERVICE

12  
129  
A67

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

9 April 1984

## LATIN AMERICA REPORT

## CONTENTS

## ENERGY ECONOMICS

## BARBADOS

Expanded Oil, Gas Production Envisaged for 1983-84 Plan  
(THE NATION, 27 Feb 84)..... 1

Drilling, Other Programs  
Import Reduction Goal

Canadian Firm Set To Open Expanded Drilling Operations  
(THE NATION, 6 Mar 84)..... 3

## Briefs

Drilling Equipment Loan ..... 4  
Oil Import Savings ..... 4

## TRINIDAD AND TOBAGO

OPEC Official Comments on Relations With Trinidad-Tobago  
(Andy Johnson; EXPRESS, 1 Mar 84)..... 5

Availability, Price of Natural Gas Expected To Change  
(TRINIDAD GUARDIAN, 15, 19 Mar 84)..... 7

Piping Plans, by Jeff Hackett  
Price Increases  
Production Shortfalls

Government Opens Talks With Texaco on Issue of Equity  
(John Babb; TRINIDAD GUARDIAN, 21 Mar 84)..... 10

## Briefs

Trintoc-Texaco Talks ..... 12

COUNTRY SECTION

INTER-AMERICAN AFFAIRS

Briefs

Caribbean Medical School Assist

13

BARBADOS

Shortcomings in Economic, Social Fabric Addressed (THE NATION, 5, 12 Mar 84).....	14
U.S. 'Destructive' Values	
Rise of New 'Elite', by Gordon Walters	
Increase in Poverty	
DLP Leader Barrow Expounds Position on Grenada (THE NATION, 23 Feb 84).....	18
Consistency of Stand, by Neville Martindale	
Adams' Failure To Communicate	
Reaction to BLP Criticism	
Further Details on Foreign Service Expansion Plans (BARBADOS ADVOCATE, 22 Feb 84).....	21
Development Plan Sets Industrial, Other Goals for 1983-88 (THE NATION, 22 Feb 84).....	22
Industry Review	
Foreign Support	
Aid to Small Businesses	
Foreign Policy Assessed at Chiefs of Missions Meeting (Various sources, various dates).....	28
Overall Policy Review, by Eric Smith	
Call for Talks With Trinidad	
Tull on Cuba	
Tull on OECS Links	
Medical Group Maintains Opposition to Government Positions (BARBADOS ADVOCATE, 7 Mar 84).....	33
Criticism of Medical School	
Health Service Objections	

Parliament Debates Funds Needed for Export Promotion (BARBADOS ADVOCATE, 7 Mar 84).....	35
St John Resolution	
Trading Problems	
Need for Extra-Regional Markets	
Taitt Disagreement	
Implications for Labor	
Bond Issue, Part of Sugar Price Support Effort, Ready (BARBADOS ADVOCATE, 24 Feb 84).....	40
Cheltenham Signs Sugar-Assistance Agreement With FAO (THE NATION, 6 Mar 84).....	41
Transportation Costs Assessed by Adams, Opposition (BARBADOS ADVOCATE, 7 Mar 84).....	43
Concern Over Subsidies	
Taitt Criticism	
Five-Year Plan Sets Forth Objectives for Defense Force (THE NATION, 12 Mar 84).....	46
Faria Quits Monali, Cites Differences on Issues (BARBADOS ADVOCATE, 8 Mar 84).....	48
<b>Briefs</b>	
New Communications Chief	50
<b>BELIZE</b>	
Guatemala Officials React to Overtures From Honduras (THE REPORTER, 4 Mar 84).....	51
Price Comments on Honduras Visit; Trade Accord Criticized (BELIZE SUNDAY TIMES, 4 Mar 84; THE BEACON, 3 Mar 84)....	52
Price Reactions	
'One-Sided' Trade Pact	
PUP 'Tinkering' With Electoral System Poses Challenge to UDP (THE BEACON, 3 Mar 84).....	54
Photocopy Issue	
Blow to Political Unity, Editorial	

PUP Wins Dangriga Election; UDP, CDP Split Opposition Vote (AMANDALA, 2 Mar 84; THE BEACON, 3 Mar 84).....	57
Report on Vote Count	
Analysis of Result	
Aranda's Ethnic Appeal	
More on Aranda's Role	
Negative Impact of 'Unbridled' Industrialization Noted (AMANDALA, 2 Mar 84).....	61
<b>BERMUDA</b>	
Review of Area Security Sees U.S. Taking Leading Role (Editorial; THE ROYAL GAZETTE, 28 Feb 84).....	62
Government Presents 1984-85 Budget, Raps PLP Response (THE ROYAL GAZETTE, various dates).....	64
Text of Gibbons Speech	
PLP Reply	
Gibbons Attack on PLP	
PLP Threat	
Swan Interviewed on Future of Computer Technology (THE ROYAL GAZETTE, 28 Feb 84).....	81
Swan Meets With Mrs Thatcher, Explains 'Leap Forward' (THE ROYAL GAZETTE, 29 Feb, 1 Mar 84).....	85
Characterization of Talks	
Swan Message in UK	
Police Manpower, Other Needs Recommended for Study (THE ROYAL GAZETTE, 2 Mar 84).....	87
Opposition Urges Overhaul of Voter Registration System (THE ROYAL GEZETTE, 2 Mar 84).....	90
House of Assembly Approves Martin Luther King Holiday (THE ROYAL GAZETTE, 18 Feb 84).....	92
Senate Acts To Investigate Bank Charters, Monetary Unit (THE ROYAL GAZETTE, 23 Feb 84).....	93
<b>Briefs</b>	
Criticism of Tourism Chief	94
Fishing White Paper	94
Rent Controls	94

BRAZIL

IBGE Poll Shows Rise in Unemployment in January (JORNAL DO BRASIL, 29 Feb 84).....	95
February Inflation Rate Set at 12.3 Percent (O GLOBO, 1 Mar 84).....	97
Tank With Computerized Firing System To Be Manufactured (JORNAL DO BRASIL, 1 Mar 84).....	98
Navy To Import Missiles To Equip Corvettes (JORNAL DO BRASIL, 2 Mar 84).....	99

BRITISH VIRGIN ISLANDS

Briefs	
Budget for 1984	100
Updated Maps	100

DOMINICA

Prime Minister Charles Interviewed in Puerto Rico (TRINIDAD GUARDIAN, 20 Mar 84).....	101
--	-----

NETHERLANDS ANTILLES

Croes on Political Future of Aruba (Nico van Grieken; ELSEVIER'S WEEKBLAD, 18 Feb 84).....	103
De Koning Gives Dutch Views on Independence (Nico van Grieken; ELSEVIER'S WEEKBLAD, 18 Feb 84).....	107

ST LUCIA

PLP Organ Comments on OECS Meeting, Communique (CRUSADER, 3 Mar 84).....	110
Socialist International Women's Leader Plans To Visit (CRUSADER, 3 Mar 84).....	112
Briefs	
Gun Smuggling by Police	113

TRINIDAD AND TOBAGO

Report on Elections in PNM; Martineau in New Post (TRINIDAD GUARDIAN, 13 Mar 84).....	114
--	-----

Text of Communique on INCE's Visit to Venezuela (TRINIDAD GUARDIAN, 19 Mar 84).....	116
Independence of Tobago Assembly Argued in Court (Francis Joseph; TRINIDAD GUARDIAN, 21 Mar 84).....	118
Cement Production Scores Increase of 100 Percent in 1983 (TRINIDAD GUARDIAN, 21 Mar 84).....	120
<b>Briefs</b>	
Venezuelan Fishing Permits	121

## EXPANDED OIL, GAS PRODUCTION ENVISAGED FOR 1983-84 PLAN

## Drilling, Other Programs

Bridgetown THE NATION in English 27 Feb 84 pp 12, 13

[Text]

**THE planned programme of the Barbados National Oil Company, envisions the drilling of at least 18 wells annually between 1983 to 84 and 1987 to 88. This drilling programme is expected to raise the level of oil and gas production by an annual average rate of 16 percent.**

At present the National Petroleum Corporation distributes gas to 8 516 consumers, but in an expansion programme during the plan period, efforts will be made to encourage large manufacturers to utilise natural gas in their production processes and to increase the volume of sales to the Barbados Light and Power Company Limited.

In order to accommodate the anticipated increase in natural gas consumption, the National Petroleum Corporation will undertake the laying of additional mains; replacement of existing mains which have been damaged or disintegrated through the passage of time; installation of a new regulator station, and the upgrading of existing regulator stations in order to enhance security.

Alternative sources of energy have been identified as solar energy, wind power, wave power and biomass (including baggasse and refuse).

Barbados, says the plan, receives large amounts of solar radiation with one of the highest levels of calories in the world. Since 1974, solar energy has been commercially available for water heating, acting as a substitute for gas and electricity. Utilisation of this energy source has been increasing over the years, with a total of 4 242 units now installed in Barbados.

This use of solar energy has been encouraged by the Government. As a result, solar manufacturing enterprises have been granted approved enterprise status under the Fiscal Incentives Act of 1974; taxes on imported gas and electronic water heaters have been increased; installation costs of solar water heaters have been made tax deductible, and loan funds are available within the Barbados Development Bank to hotels wishing to install solar water heaters.

Some commercial banks have also now adopted the financing of solar water heaters as part of their portfolio policy.

During the plan period, Government encouragement of the solar water heating industry will be fully maintained. In addition to domestic hot water, solar industrial process heat will be encouraged. Also, close monitoring of developments in photovoltaics will be maintained to determine feasibility of their use in the island.

Research work will be undertaken to determine the future prospects of using wind

resources. With financial assistance from the Inter-Development Bank, plans to install a wind turbine with a rating of 200 kilowatts with a view of determining the possibility of generating electricity and transferring it into the national grid.

On wave power, a feasibility study has revealed that tidal and wave conditions off the East Coast are generally favourable for the generation of such energy.

The wave data programme on the South East Coast will be continued to determine whether the island possesses a wave regime capable of justifying the installation of engineering works.

With respect to biomass, it points out that bagasse is the island's most important biomass fuel, used almost exclusively to fuel sugar cane processing. Some excess bagasse has recently been used to produce a small quantity of electricity for the national electricity grid.

There are possibilities of increasing the efficiency of its use, and Government will support

studies to examine the possibility of increasing the efficiency of bagasse use in the sugar factories.

Refuse is said to be the other biomass resource of significance, and Government will proceed as soon as possible with an in-depth feasibility study to determine the economic viability of converting garbage into electrical energy.

If the economics prove encouraging, Government will ask the private sector to establish a solid waste energy plant toward the end of the plan period.

On energy conservation, the plan points out that the Energy and Natural Resources Division, with assistance from the World Bank, has recently embarked on a major energy conservation project, and a 15 percent decrease in energy consumption as a result of energy conservation is the goal for the plan period.

The Barbados Light and Power Company Limited, plans to install an additional low speed diesel engine at the Spring Garden Plant in the next two or three years, so that by the end of 1988, its generating capacity would be

increased from 118.7 megawatts in 1983 to 126.7 megawatts.

Following a decision by the Caricom heads of government at Ocho Rios, Jamaica in 1982, a Regional Energy Action Plan for the region has been prepared with the objectives of promoting the security of intra-regional supplies and markets for petroleum products, identifying and developing alternative sources of energy within the region; developing and promoting energy conservation measures; establishing the petroleum potential of the region; and devising mechanisms to encourage orderly development.

During the plan period, efforts will be made to harmonise Barbados' energy sector programme with the Regional Energy Action Plan

Energy investment from public sector funds is projected at \$34.1 million between 1983 and 1988. This includes loan funds to be secured from international agencies. In addition to this amount, some \$85 million will be spent by the Barbados National Oil Company Limited toward the cost of its exploration and development programme.

## Import Reduction Goal

Bridgetown THE NATION in English 27 Feb 84 p 12

[Text] The objective of Barbados' energy sector in the new Development Plan period 1983 to 1988, "is to reduce the heavy dependence on imported fuel and the resulting high import bill."

The three-fold strategies of the energy sector plan are: (1) to expand domestic and natural gas output; (2) to develop the country's alternative energy resources and (3) to conserve energy.

An introduction to the plan's section on energy says that access to adequate amounts of energy at reasonable costs is vital to the economic and social development of the island.

"The crux of our energy problem is the very heavy dependence on imported crude oil whose costs have increased considerably since 1973," it states.

In 1982, the island paid \$75.5 million for its crude and reformulated supplies, approximately 721 percent over the 1973 level

of \$9.2 million.

Other figures indicate that the cost of crude oil imports represented 2.8 percent of the value of total imports in 1973, and as much as 6.8 percent in 1982. The 1973 oil import bill pre-empted 9.8 of foreign exchange earnings from goods in that year and 14.3 percent in 1982.

After ten years of rapid increases in oil prices, the statement said, there has been an easing of the situation with the price falling from US\$34 a barrel to US\$29 in early 1983. The current reduction might well be short-lived and even within the relatively short time range of the plan, an upward movement is anticipated.

"In the longer term," according to the plan, "oil prices are definitely expected to move upward again. Consequently, our heavy dependence on imported oil resources remains a source of concern."

Energy demand and supply projections indicate that primary energy consumption will increase at an annual average rate of 9.5 percent between 1982 and

1987, reaching approximately 413 000 tons of oil equivalent.

Approximately half of the increase in oil consumption will result from the operation of the Arawak Cement Plant when it is working at full capacity.

With respect to oil and gas output, the plan states that in February 1982, the proven oil reserves in the Woodbourne oilfield were estimated at 1.260 million barrels with the probable reserves at 1.789 million.

Recent exploration work has pointed to the existence of additional areas of petroleum potential, both on-shore and off-shore. However, no estimates have been made of those resources. In March 1982, gas reserves, the bulk of which are associated with oil, were estimated to be 141.6 million cubic metres.

Further exploration activity will be undertaken during the plan period, and efforts will be made to get international companies to carry out additional seismic work. It is also proposed to extend inland drilling activities from Woodbourne to the Fisherpone area.

**CANADIAN FIRM SET TO OPEN EXPANDED DRILLING OPERATIONS**

Bridgetown THE NATION in English 6 Mar 84 p 1

[Text]

**BARBADOS' oil drilling programme is to be stepped up significantly by the middle of the week when the Canadian firm, Bowbally, begins exploration at Canefield, St. Thomas.**

Official of the company, Mr. Bob Hopper, told THE NATION yesterday that the well at Canefield would be the first of eight to be drilled during the next few months.

Already, a number of these sites have been prepared, at Saddle Back, St. Thomas, Lower Parks (near Dark Hole), Bissex Hill, near the old police station, St. Joseph and Greenland (near the Brick Factory) in St. Andrew.

Mr. Hopper said they were working for the Barbados National Oil Company (BNOC) under contract from Petro-Canada, the Canadian Government corporation with which the Barbados Government has signed an exploration agreement.

All the wells, including that at Canefield, will go to a depth of 2 500 feet and about the prospect of the Canefield site, Mr. Hopper said seismic information looked promising.

He said they had been informed that the natural gas pressure under the ground there would be so high that they would be faced with a number of blow-outs, but they were prepared for such problems.

"We can't really say what will come from the well until we have completed the drilling, but prospects look good and, if we are right, we could be pumping between 100 and 150 barrels of oil each day."

Four Canadians have arrived in the island to work with Bowbally and some 20 local oil workers will be involved in the project.

Mr. Hopper said that the equipment had arrived in the island over the weekend and off-loading completed yesterday morning. The assembly should be completed by tonight or early tomorrow and drilling would begin immediately afterward.

Once this process has started, the official added, the drilling operation would be carried out on a 24-hour-a-day basis until the well is completed. The equipment will then be dismantled and moved on to the next site.

Concerning problems likely to be encountered drilling under local conditions, Mr. Hopper said that in Canada they had to drill some 3 000 feet to reach coral stone, while it was almost at the surface in Barbados. This would be a challenge to them, but they were equipped for it.

CSO: 3298/614

## BRIEFS

DRILLING EQUIPMENT LOAN--The House of Assembly yesterday passed a Bill to allow the Government to borrow some Can \$6 million to purchase drilling equipment from Canada for the local petroleum sector. The money is to be provided by the Canadian International Development Agency (CIDA). Prime Minister Tom Adams speaking on the Bill said the time was fast approaching when the country can supply half of its petroleum and natural gas needs which would allow Government to go ahead with a project to bring more gas to homes in suburban areas. He spoke of the local output of oil and natural gas over the years, and stated that after the establishment of the Barbados National Oil Company no less than 379 000 barrels of crude had been produced. He said too that the country was benefiting from exploration assets of Mobil Oil, which were bought out by Government. He also touched on the seismic studies being carried out by the Canadian-owned Petro Canada International, and an agreement with Cluff Oil of Britain for seismic and offshore drilling. The assistance from CIDA is interest free. [Text] [Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 1]

OIL IMPORT SAVINGS--BARBADOS recorded significant saving in its oil import bill last year as a result of the assistance provided to the local industry by the Canadian Government. According to Prime Minister Tom Adams, the achievements of last year could not have been as great if the assistance of the Canadian Government had not been given. Mr. Adams was at the time speaking during the Second Reading of a bill to authorise the Government to borrow up to (Can)\$6 million for use in the local oil industry. Since the Canadian government established Petro Canada, Barbados, through the Canadian International Development Agency (CIDA), has been one of the first countries to benefit. In 1979, Prime Minister Adams said, Barbados produced 271 600 barrels of oil, 283 500 in 1979, and 305 400 the following year. In 1981, when concentration was placed on a deep drilling programme, production fell, but in 1982, when shallow drilling was restarted, it was 258 000 barrels. This rose to a record 379 000 last year. Over the same period, said Prime Minister Adams, natural gas had increased from 6 million cubic metres to 11 million. However, said Mr. Adams, as much as 20 million cubic metres would have been produced, but because the country did not have a capacity to absorb all this, much was burnt off. The money being borrowed from Canada is repayable over 40 years, the Prime Minister said. The bill was passed. [Text] [Bridgetown THE NATION in English 7 Mar 84 p 16]

## OPEC OFFICIAL COMMENTS ON RELATIONS WITH TRINIDAD-TOBAGO

Port-of-Spain EXPRESS in English 1 Mar 84 p 3

[Article by Andy Johnson]

[Text] Mexico City--A top official of the Organisation of Petroleum Exporting Countries (OPEC) said here yesterday that the relationship between his organisation and the Government of Trinidad and Tobago was "rather poor" at present, adding that this country should "make an effort" to correct that.

"It is rather poor and I don't know why, honestly," said Ahmed, Director of Research in the OPEC Secretariat. Ahmed, an Algerian economist, was asked by the EXPRESS to comment on the state of the relationship, if any, which exists at present between OPEC and Trinidad and Tobago.

He said he was aware of the botched attempt by his country to join the Organisation of Oil Producing Third World countries in 1972, but, he said, that should not stand in the way now of a cordial relationship.

He said in his opinion Trinidad and Tobago should make the effort to renew contact and establish communication channels with the organisation.

He said OPEC often received letters from other oil producing countries in the developing world which were not members of OPEC, some seeking information on OPEC policies and others wanting to have exchange visits of officials. "But not from Trinidad and Tobago, as far as I could remember," he said.

Ahmed, who is among a panel of high level OPEC officials conducting a workshop for journalists from Latin America and the Caribbean here, reiterated a point during the discussion, that it was not membership in OPEC that was the real issue with oil producing Third World countries.

He said the central issue at this juncture was the sharing of information and the need for collaboration and co-operation between OPEC and other oil producing Third World countries. Said and other OPEC officials have stressed the need for co-operation among such countries on the question of price stability in the international oil market.

The theme of the three-day workshop which wound up here yesterday was in fact the stability of the oil market in the years ahead and the need for oil producing Third World countries to forge new links in attempting to move their economies away from heavy dependence on oil--a depletable resource.

Speakers at several sessions here during the three days of discussion at the Mexican Institute of Petroleum, the 13 present members of OPEC will not be net exporters of crude oil and indeed, some of them will face completely depleted resources in the next 10 to 15 years.

It was pointed out here that among the 13 members of OPEC, the average of dependence on oil as the mover of the country's economy was 92 percent.

Mexico, which is not a member of OPEC, is one oil producing and exporting country with which the organisation has a good relationship, according to officials here, and the country's commitment to the broad policies, initiatives and objectives of their organisation came in for high praise during the last three days.

CSO: 3298/610

## AVAILABILITY, PRICE OF NATURAL GAS EXPECTED TO CHANGE

## Piping Plans

Port-of-Spain TRINIDAD GUARDIAN in English 15 Mar 84 p 1

[Article by Jeff Hackett]

[Text] The Ministry of Energy and Natural Resources is considering mounting a pilot project to pipe cooking gas to homes by June.

Mr Patrick Manning, Energy and Natural Resources Minister, said yesterday that if it was economically feasible, there was the possibility of ten (10) million cubic feet of gas daily being piped to homes throughout the country.

The Minister was talking to the Press after the annual technical meeting of the National Gas Company at its Frederick Street administrative offices.

He said that by "the middle of the year we will be addressing our attention to the pilot project."

Mr Manning added that there may not be any justification for the project although he personally did not believe that this was the case.

He did not say where the pilot project would be mounted but stressed that before the question of piping gas to homes could be undertaken it had to be economically viable.

#### Pilot Project

The total quantity to be used by the public--10 million cubic feet daily--was small in comparison to total output which was 600 million cubic feet daily of which 315 million cubic feet daily was sold to 37 industrial customers.

Mr Manning also mentioned a pilot project to provide alternative fuel for motor vehicles through the use of Compressed Natural Gas (CNG).

He said that "pretty soon" this project would be started.

It was the second time in the space of less than two months that the Minister spoke about the CNG project.

#### Price Increases

Port-of-Spain TRINIDAD GUARDIAN in English 15 Mar 84 p 1

[Text] The Ministry of Energy and Natural Resources may revise the whole question of natural gas prices, Mr Patrick Manning, the Minister announced yesterday.

Mr Manning, replying to a question at a Press conference following the annual technical meeting of the National Gas Company (NGC) at its Frederick Street administrative offices, said that Government does not subsidise the price of natural gas.

He said:

"Amoco sells its (natural gas) at an economic price to the National Gas Company and the National Gas Company sells gas to its customers."

He added that the Ministry would soon have to make a decision on "revising the whole question of gas prices again and may well come up with a structure that is different to that which exists today."

Before the Minister's announcement, Mr Hamil Legall, the NGC's chairman, replying to a question, confirmed that the company was in fact a profitable entity and anticipated a profit of \$34 million for 1984.

#### Capital Structure

Mr Legall qualified this somewhat explaining that it would "be difficult to call that a profit" since "an appropriate capital structure" for the company had to be worked out.

The Trinidad and Tobago Electricity Commission, (TTEC) was NGC's biggest customer, buying 115 million cubic feet of gas daily.

There were seven large and 30 medium and small customers, the various energy-related industries at Point Lisas being the bigger customers.

The Minister said that the new 30-inch gas pipeline from the Cassia fields, 35 miles off Point Galeota on the East Coast, should be in service by the end of the third quarter of the year.

This would boost total capacity to one billion cubic feet daily.

Mr Manning pointed out earlier that 150 million cubic feet of gas was being flared and this was "a significant improvement" and described the Flare Gas Project at Amoco's Teak Field as the biggest and best conservation project in the country.

## Production Shortfalls

Port-of-Spain TRINIDAD GUARDIAN in English 19 Mar 84 p 16

[Text] Round-the-clock operations by two plants manufacturing LPG cooking gas are still failing to meet the demand of the gas-cooking public.

The situation became even more acute several weeks ago when the NP plant at Blue River near the Caroni Swamp was flooded by a swollen Caroni River following days of torrential rain.

Before that the plant, together with the Ramco plant in South Trinidad were barely able to fill the requirement of public consumption. When the flood struck it caused a halt in operations at Blue River which resulted in an escalating backlog of orders.

Production of LPG cooking gas took a sharp dive last year following the fire which wiped out the bottling plant on the Beetham Highway operated by Consumer Gas Suppliers.

Shortly afterwards another manufacturer, the Neal and Massy subsidiary IGL, shut down its plant at Aranguez resulting in a further cutback in LPG production.

A spokesman for State-owned National Petroleum Marketing Company (NP) while insisting that there was no real shortage of LPG cooking gas, admitted that the plants, even though working 24 hours a day, were hard pressed to fill orders.

### Ray of Hope

Distributors on the other hand, are claiming that they are experiencing great difficulty in getting their regular supplies and one dealer in the East said his truck remained at Blue River from the night before so as to ensure at least one shipment the following day.

"This means," added the dealer, "we cannot properly service our customers and we're hearing about it."

One ray of hope at the end of the LPG tunnel is Consumer Gas Suppliers' recent purchase of the abandoned IGL plant at Aranguez. It is understood that the company has applied to the Ministry of Energy and Natural Resources for permission to reactivate the plant and resume bottling operations. According to a well-placed source, permission is imminent.

CSO: 3298/610

## GOVERNMENT OPENS TALKS WITH TEXACO ON ISSUE OF EQUITY

Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 84 p 1

[Article by John Babb]

[Text] THE TRINIDAD and Tobago Government yesterday began negotiations with Texaco which in the end could reshape the company's future role in the country's economy.

Crux of the negotiations which opened at the Riverside Plaza, is the sale of 75 per cent equity in the 275,000 barrels a day refinery at Pointe-a-Pierre to the Government.

Texaco has already indicated that it is interested in retaining only 25 per cent equity in the operations.

The Trinidad and Tobago negotiating team is led by Mr. Doddrige Alleyne, Permanent Representative to the United Nations in New York.

Other members are Mr. Frank Barsotti, Permanent Secretary in the Ministry of Finance; Dr. Euric Bobb, Deputy Governor of the Central Bank; Mr. Trevor Bhoopsingh, Permanent Secretary in the Ministry of Energy; Mr. Lenny Farfan, Permanent Secretary, as well as representatives of the Attorney General's Department and the Inland Revenue Department. Mr. Winston Connell is secretary to the team.

Texaco's team is led by Mr. T. B. Leadows, vice-president of Texaco's Latin America and West Africa divisions and a director of Texaco Trinidad Inc.

Other members are--Mr. M. J. Killien, general manager, manufacturing of Texaco West Africa; Mr. D. E. Lygh, director, Planning Budget, Texaco Latin America/West Africa; Mr. Carl Cabral, vice-president, Texaco Trinidad Inc.; Mr. R. C. Dash, vice-president, Texaco Trinidad Inc.; and Mr. Ken Augier, vice-president, Texaco Trinidad Inc.

In 1974, during the oil boom period, the Trinidad and Tobago Government made a bid to own part of Textron, but this was stoutly resisted by the company.

But two years ago when the oil industry sank into the doldrums, Textrin said its operations had become uneconomical and subsequently offered the refinery for sale to the Government.

Sometime later, the company said it was interested in retaining only 25 per cent equity.

The Government looked around for a partner and had asked Amoco, but Amoco said it was not interested.

Just over two months ago, Mr. Lloyd Austin, General Manager of Textrin, was reported as estimating the book value of the refinery at (US) \$126 million or (TT) \$302.4 million.

Since 1982, a five-man inter-ministerial team, headed by Labour Minister Errol Mahabir, had been holding discussions with officials of Texaco as the Government sought to lay the ground work for rationalisation of the industry.

At the close of yesterday's opening round of talks, held behind closed doors at the Riverside Plaza, the leader of the Trinidad and Tobago team, Mr. Alleyne, reported to Mr. Mahabir, the chairman of the inter-ministerial team.

The next round of talks is due to take place during the last week in April.

CSO: 3298/622

## BRIEFS

TRINTOC-TEXACO TALKS--SAN FERNANDO: TRINIDAD and Tobago Oil Company Limited (Trintoc) and Texaco are continuing discussions aimed at concluding an agreement whereby the Pointe-a-Pierre refinery will process crude oil to be imported from Venezuela. The companies are due to meet later this week to continue discussions on the matter, said a Trintoc official. Trintoc is to import 20,000 barrels of crude a month from Venezuela, on behalf of Government and arrangement is being made to process the oil at the Pointe-a-Pierre refinery. To date no order has been placed for the crude and according to a Trintoc spokesman, orders will be placed as soon as the arrangement with Texaco has been finalised. Meanwhile, the arrangement for Trintoc to send 37,000 barrels of crude daily to be processed at Pointe-a-Pierre is continuing. According to Trintoc: "We have sufficient oil to continue the arrangement." With the supply of the Trintoc crude, Texaco's refinery, in addition to Texaco's own crude, is running between 60,000 to 65,000 barrels throughput daily. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 84 p 6]

CSO: 3298/622

## BRIEFS

CARIBBEAN MEDICAL SCHOOL ASSIST--The St. George's University School of Medicine, now negotiating with the Barbados Government to maintain a permanent campus in this country, is going to the aid of the University School of Medicine in St. Lucia which has just folded. According to officials of the St. George's University in New York, they have offered to help many of the students "who have been left stranded" because of the unexpected closure. Administrators of St. George's have reviewed the records of 127 students of St. Lucia, and have offered to accept some of them as entering students and to defer others subject to the satisfactory completion of the required courses and interviews. They pointed out that none of the students would lose the tuition fees they had paid to the University of St. Lucia whether or not they continue at St. George's. Those students who decide not to continue their education would be reimbursed by the St. Lucia university. "Because of our pre-eminent role in foreign medical schools, St. George's believes it has an obligation to ensure that students, especially those in St. Lucia, are not exploited," an official said. The university in St. Lucia opened its doors a year ago after receiving a charter from the John Compton government. It is understood that the school ran into financial difficulties. [Text] [Bridgetown THE WEEKEND NATION in English 9 Mar 84 p 15]

CSO: 3298/613

## SHORTCOMINGS IN ECONOMIC, SOCIAL FABRIC ADDRESSED

## U.S. 'Destructive' Values

Bridgetown THE NATION in English 5 Mar 84 p 5

## [Excerpts]

What is responsible for the concepts that people have? Most basically the answer is their culture. This culture incorporates tradition, among other things. Foreign inputs, we all know, affect the people to the point that they forget their culture and grasp strange gods instead.

People sometimes mistake shadow for reality, a dangerous mistake to make. It should be no surprise to anyone to hear that Bajans are over-reaching themselves in any way, for the nation has fallen prey to the blandishments of electronic persuasion. Why should we not expect this when we are constantly urged to "reach for more"?

If you persuade someone that champagne is better than mauby and give that person a mauby pocket how can you not expect that person to have champagne taste? Tastes are cultivated things, and the process of cultivation can be seen and heard every night and day.

## NO MISTAKE

Let there be no mistake about it. Barbados is obviously and consciously courting the United States. It is a crude courtship, for there is no doubt as to who is seeking favours. There is absolutely no sense in encouraging a system which is irretrievably bound up with destructive values while at the same time lamenting that the people are demonstrating these same values. As the old song goes "you can't have one without the other".

So, if the minister can see the part, he should see the whole, which is bigger. Dallas, Dynasty, the whole North American fast-food syndrome is champagne taste, and this is what the people are being fed all the time. If you plant corn you can't expect to reap okra. What goes in must come out.

The whole pace and vibration of life in this nation is cultivated toward leading the nation away from righteous values and toward the temporary pleasures of self-gratification. It screams at us every day, from every slick advertisement to every "mafia move" on the street.

## WHOLE 'HEAD'

In an environment such as this, righteousness is seldom the keynote for many. The whole "head" as Trinidadians say, behind pushing a fast pace of life is that there is little room for introspection in fast life.

Some people are most comfortable with few, if any, seekers of truth around, and therefore support the "champagne" system, which is a fitting image, for the things of the world which are symbolised by "champagne taste" are of as little reality and lasting quality as are the bubbles in the drink itself.

This system is one which downplays the true and lasting values and instead supplies humanity with a mixture of corrupt values and false concepts which dope the personality, turning it away from its true vision. These are the international dope-pushers, the people who support and encourage the systems we have today, since these systems are hostile to spirituality.

Can we say that this country's government is setting a good example if we are to be persuaded not to have champagne taste with mauby pockets? The Members of Parliament are all very well provided for in terms of salaries and "perks". Super-sophisticated cars are given to officials of the government to drive. At the same time the nation is getting ready to "punch in another hole" for the belt is tight already. We are seeing the construction of a \$60 million Central Bank building. Is this not "champagne taste"? Are we not a "mauby" country?

#### DOUBTFUL LOGIC

Something which has always been of doubtful logic to me is the belief that those who serve the people must always live in luxury while those whom they serve often live hand to mouth. Someone seems to have forgotten that politicians are the servants of the people. Barbadians are surely very generous employers.

#### Rise of New 'Elite'

Bridgetown THE NATION in English 5 Mar 84 p 13

[Article by Gordon Walters]

[Text]

THERE is in our midst a new elite.

This new group emerged after World War II. The seeds for its growth were planted in Barbados when the oppressed people rose in rebellion against the oppressive dehumanising system in 1937;

- When the Moyne Commission examined the system, and in their report 1938-39 made recommendations to transfer the system;

- When new ideas were injected into the system through those persons, who having assisted with the war effort in the United States, Canada and Britain, were returning home; and

- When the drastic political changes — selection of a new leadership, the introduction of many sweeping social changes and innovations, including the extension of the franchise to a larger percentage of the population — were undertaken.

Among the benefits, which accrued to the ordinary citizen, were improvement in

wages/salaries and working conditions; provision of opportunities for the worker to repair, extend, buy or build better homes; and the establishment of greater facilities for higher education which permitted an increased number of persons to improve themselves and the quality of their lives.

#### EDUCATION

It is the last of those changes — the establishment of greater educational facilities — which provided the opportunities for more people to improve their knowledge and develop their skills, and offered the greatest hope for societal betterment and progress.

Those educational opportunities, therefore, opened the doors to many. The acquisition of higher educational qualifications helped many to obtain new jobs to which were attached better salaries and higher status. With this upward mobility the new elite was born.

The emergence of this new elite has had some positive effects on the society, and this is quite visible. Many of these locally and regionally trained craftsmen, technicians or professionals have the capacity to fill the many and varied jobs

available. Many of them are performing their roles very satisfactorily and are making very worthwhile or outstanding contributions to the society.

However, there are also some visible negative effects which give grave cause for concern. Many of these individuals who belong to this new class — the new elite — seem to see themselves as belonging to a superior group of persons — a ruling class.

They seem to think that it is below their dignity to do anything else. They look down on others as inferiors. Many of them who are offered jobs in Government or private business enterprises become very disgruntled (often quarrelsome) when they are appointed to jobs which they consider to be at the lowest level and unimportant. They become angry over the salaries they receive even when their work load bears no relation to those of persons in senior and more responsible positions.

Taxpayers have often paid for their education, but it is not these persons' intention to contribute anything to those who financed everything which led to their success. They seem to see it as a privilege and a right to extort the maximum rewards for any task which they perform.

## ATTITUDES

It is even more disturbing when one looks more closely at their attitudes to the rest of the society. Many of them feel that the ordinary man is stupid, illiterate, and easily deceived. They also think that the ordinary individual should not be able to choose; make criticisms of their behaviour; take any decisions which will affect his life; think for himself or make any statements of any kind. They believe they should have all rights to act on his behalf. Individuals should act without objecting to anything they are told or ordered to do.

In short, this group of autocrats seem ready to return the rest of this society to slavery, while they occupy the positions of power, wealth and authority. This became quite evident when a group of these tyrants seized power in Grenada. Their supporters worldwide — in Barbados, in the West Indies, at the United Nations — objected strenuously to the rescue mission carried out to "free" the suffering people, the ordinary citizens, in that besieged country.

The changes have been dysfunctional. The new elite's attitudes are not geared to relieving the poverty, ignorance and hunger of those who educated them, but rather to oppress, enslave and murder them.

## Increase in Poverty

Bridgetown THE NATION in English 12 Mar 84 p 24

### [Text]

FORMER Deputy Prime Minister, Mr. Cameron Tudor, told a Democratic Labour Party (DLP) St. Lucy constituency meeting yesterday that, except for a tiny section of the society, Barbadians were now experiencing a level of deprivation, and some, a level of poverty, not seen since the late 1950s and early 1960s.

He further told the meeting, which was held at the Selah Primary School, Crab Hill, that pensioners on fixed incomes were going short of food.

Mr. Tudor said: "Children and old people are now begging in the streets again while the Government in reverting, or perhaps advancing to the most disgraceful forms of landlordism, is littering the roads of housing estates with the dispossessed household items of people, and before the television cameras too."

He added: "I am old enough to

remember when sugar plantations went into chancery for debt and when merchants in Roebuck Street and Swan Street occasionally went into bankruptcy."

The so-called conservatives of those days, he said, were white people, who, from their positions in Government, shielded their own kind when misfortune struck.

Continuing, he said: "These new conservatives, having virtually destroyed the middle class, are now mounting their own ferocious assault upon the lower segments of the working population."

First, he said, they were taxing the workers without conscience; secondly they were jacking up water, electricity and transport costs, and thirdly, throwing them out of work.

Lastly, the former MP for St. Lucy said, the workers' in-

telligence and decency had been insulted when they were told that the country was worst when the DLP was in office.

Speaking on the subject, **The Politics of Fair Elections**, Mr. Tudor said there seemed to be a decision entered upon by those who knew to be silent about the appalling realities facing the country.

Nobody wished to speak out and frankly say that Barbados was in trouble, he said.

"Most people concede there is a crisis, though Senator David Seale speaks about a precipice. I speak about an unmitigated disaster," Mr. Tudor said.

He added that a country was not governed by liquifying its sovereignty to place foreign interest of doubtful origins and doubtful intentions.

"You don't govern a country by the impoverishment and the victimisation of its people. You govern it by sharing their anxieties, by listening to their grievances and by treating problems with candour, compassion, commonsense and consultation," Mr. Tudor said.

"In that way," he said, "our politics will lead us out of our troubles."

CSO: 3298/617

## DLP LEADER BARROW EXPOUNDS POSITION ON GRENADA

## Consistency of Stand

Bridgetown THE NATION in English 23 Feb 84 p 1

[Article by Neville Martindale]

[Text] Opposition Leader Mr Errol Barrow has said there is no change in his stand or that of the executive of the Democratic Labour Party (DLP), on the Grenada situation as declared on the night of October 16 last year.

That view, he said, indicated support for any measures calculated to bring the criminals to justice and called for immediate international action to relieve the Grenadian people from the scourge of a Stalinist dictatorship.

Mr Barrow, in an exclusive interview with THE NATION yesterday said: "I was specifically asked then by the interviewer of the Caribbean Broadcasting Corporation (CBC) what was meant by international action.

"And I indicated that this could be only at the level at the United Nations organisation, even though the track record of the United Nations in settling disputes had not been particularly impressive. My words were: 'We still have to keep on trying.'"

The opposition leader, who returned from overseas on Monday night, was reacting to criticisms of an article which he wrote in the Caribbean Review dealing with the Grenada situation.

He said: "The gravamen of the criticism levelled appeared to indicate a change in policy between the action of the parliamentary members of the DLP who did not vote against the resolution introduced in the House of Assembly by the Government on December 15, 1983, calling for endorsement and/or ratification of the role that the Barbados Government played in the Grenada operation, and the editorial written by me for the Caribbean Review."

Mr Barrow added: "At no time did the executive of the Democratic Labour Party consider that a settlement of the problems should be a by-product of the United States domestic or foreign policy or the result of a split decision of the Caribbean Community.

"The prime minister of Great Britain, the prime minister of Canada, and many other Commonwealth leaders support my contention; and I support theirs that the issues in Grenada could have been settled firstly by the people of Grenada themselves; and secondly, and most importantly, without any militaristic intervention by the United States."

He added: "I have no doubt that the Barbados Government found itself swept along by the emotionalism prevailing at the time, but many questions should have been asked, and many questions remain unanswered.

"We feel that the public has not been given all the information leading up to the United States participation in these tragic events."

Mr Barrow observed that the Caribbean states did not intervene as fellow partners, but more as camel drivers and attendants in a mule train which is offensive to the dignity of the Caribbean peoples.

"Until we are given the whole truth," Mr Barrow said, "all thinking people in the Caribbean must reserve the right to demand answers to the questions that are agitating their minds."

#### Adams' Failure To Communicate

Bridgetown THE NATION in English 23 Feb 84 p 1

[Text] "At no time did Mr Adams (the Prime Minister) discuss the intended invasion (of Grenada) with me."

So said Opposition leader Mr Errol Barrow yesterday.

"I should like to make it clear that at no time did Mr Adams discuss the intended invasion with me which he need not do. But he should not give the public the impression that he had any kind of discussion with me or that he had discussed the matter with the prime minister of Trinidad and Tobago."

Mr Barrow said: "The point I was making in the editorial in Caribbean Review was that even when one is going to war with an established enemy, notice is given to the enemy of your intention to go to war."

The Opposition leader, who is a Royal Air Force veteran, added: "In the instant case, President Ronald Reagan and the Caribbean leaders did not even give notice to their colleagues in the Caribbean on whose support they would eventually be calling.

"The resolution in the House of Assembly was not necessary because the deed had already been done.

"If Mr Adams wanted to be democratic, he would have made sure that the House was in session during the crisis instead of adjourning the House, having been in recess for over three months for the whole period over which the intervention took place, Mr Barrow said.

Reaction to BLP Criticism

Bridgetown THE NATION in English 23 Feb 84 p 1

[Text] There is nothing wrong in a Barbadian citizen reflecting on the actions of the President of the United States.

This was indicated yesterday by Opposition Leader Mr Errol Barrow, in reaction to certain criticism made recently by newly-elected chairman of the Barbados Labour Party (BLP), Dr Richard Cheltenham.

Mr Barrow said he did not understand why Dr Cheltenham expected that because Barbados enjoyed friendly relations with the United States that a Barbadian citizen could not reflect on the President's actions.

Said Mr Barrow: "Before Mr Ronald Reagan was elected, I publicly expressed the view that I could not support his policies. When he came here, I did not meet him and if I were in the United States I could not vote for him."

Mr Barrow explained: "It does not mean that we do not like American people because we don't like Mr Reagan's policies. I did not like Mr Richard Nixon's policies either.

"I liked most of the Democratic presidents like the late President Johnson and President Kennedy, and even President Carter."

Referring to Dr Cheltenham's remarks, in the release that the DLP on such an important matter should have carefully discussed it before presenting what was considered to be a unified stand that transcended partisan politics, Mr Barrow said:

"The public ought to know precisely that the resolution was introduced without notice, and debated on the same day without warning. Members of the DLP had no opportunity to discuss the matter amongst themselves or with me.

"My views would not have changed, and furthermore, I was out of the island."

CSO: 3298/602

**FURTHER DETAILS ON FOREIGN SERVICE EXPANSION PLANS**

Bridgetown BARBADOS ADVOCATE in English 22 Feb 84 p 1

[Text] Government says it will be increasing its staff in the Ministry of Foreign Affairs so as to implement the country's foreign policy during the 1983-87 Development Plan.

The proposed increase will cover both professional and supporting staff while steps will be taken to train Foreign Service Officers in areas relevant to their profession.

During the plan the Government will be pursuing a foreign policy geared to obtain political and economic benefits which best safeguard or advance the national interest, security and prosperity of the country.

In order to achieve this, the Government explained, Barbados will work both bilaterally and multilaterally with all countries, especially with fellow developing states.

According to the Plan: "The aim of such cooperation is the promotion of those international issues which are of particular interest for small island developing states, particularly the procurement of resources for development."

Government said that because of historical and geographic realities the focus of the diplomatic effort will be on Caricom, other regional institutions and on fellow Commonwealth countries.

"While the main emphasis will be on economic development, Barbados will not overlook its commitment to the advancement of concepts of morality and justice in international affairs," the document noted.

Government will also be supporting measures aimed at promoting human rights and self-determination.

Economic development and international justice best develop within a peaceful climate and Barbados will encourage efforts aimed at eliminating conflict and the potential causes of warfare.

Arrangements will be made for purchasing or leasing on a long term basis, buildings for housing Government offices in New York and London.

## DEVELOPMENT PLAN SETS INDUSTRIAL, OTHER GOALS FOR 1983-88

## Industry Review

Bridgetown THE NATION in English 22 Feb 84 p 14

[Text] According to the 1983-88 Development Plan "the industrial sector will have to continue to play a critical role in contributing toward growth, employment and output of the economy" during the current plan period.

A review of the performance and problems of the industry sector indicates that while the industrial sector of the island's economy performed creditably over the last 12 years, basic problems still manifest themselves.

"One of these," states the review, "is the marked absence of any meaningful domestic inter-sectoral linkages. Another is the absence of any basic raw material industries, thus resulting in a very high import content of domestic spending for both investment and consumption."

It points out that serious constraints have been placed on the industrialisation process since the agricultural sector "has failed to play the supportive role required in an industrialising economy. In addition, high calibre local entrepreneurship and technical dynamism, both necessary for sustained industrialisation, are lacking.

"Sufficient attention," it says, "has not been paid to the correction of the above constraints in previous plans as governments have, over the years, been forced to concentrate on urgent and short-term problems confronting the economy. However, these feature must be corrected if the economy is really to experience meaningful economic development."

Therefore, future plans must of necessity tackle short-term and long-term economic problems simultaneously.

The review states that during the 1970s development of the industrial sector assured Barbados of a relatively diversified economic structure on which to pursue meaningful development of the overall economy.

The plan says that in order to support a continued rise in living standards, it will promote a strategic shift from "labour" intensive to "skill" intensive industries which can support higher incomes in a profitable environment.

Main objectives on the industrial sector during the 1983-88 period are expansion in production in the manufacturing sector through maximum utilisation of existing plants and the encouragement of new investments, particularly in such areas as electronics, pharmaceuticals, chemical products and information services.

Additional objectives will seek to broaden the base for foreign exchange earnings from the production of manufactured goods for export markets; create employment opportunities; encourage greater utilisation of indigenous raw materials in manufacturing activity and thereby induce inter-sectoral linkages; foster requisite skills to satisfy the requirements of industry, and address the structural problems of industrial development.

"In light of the international economic recession and its effect on the domestic economy," the review continues, "during the first years of the plan, the problems of generating employment opportunities in the industrial sector through the implementation of measures designed to stimulate and foster sectoral growth will be addressed.

"During the latter part of the plan period, it is expected that the economy will have regained sufficiently buoyancy to permit Government to pay greater attention to the structural problems affecting the economy."

One of Government's objectives, also, will be to increase its efforts to provide greater motivation to the private sector to enable it to participate on a wider basis in the process of industrial growth and to play a greater role in the realisation of the growth targets.

It is planned to encourage greater cross-fertilisation between local commercial enterprises and manufacturing industry and to formulate incentive schemes to induce private sector organisations to invest in industrial production.

The vulnerability to which sugar and tourism are prone, said the review, has emphasised the importance of the manufacturing sector "as the bedrock upon which the domestic economy should be developed." In this connection, a revised package of incentives will be developed to attract further investment in the manufacturing sector.

Through the Industrial Development Corporation, Government will, during the 1983-88 development period seek to:

--create approximately 6 500 jobs in the manufacturing and data processing sectors;

--stimulate real growth in manufacturing exports (excluding sugar and molasses) by 14 percent annually, and

--stimulate real output in the manufacturing sector by three percent per annum.

To achieve these targets, the following mechanisms will be used:

--increased productivity and more effective utilisation of existing capacity;

--expansion of investment in existing production facilities;

--new investment in non-traditional areas, particularly higher skill activities compatible with domestic wage levels;

--diversification of manufacturing activity with emphasis on export-oriented industries; and

--increased attention to skill and management and training requirements.

Constraints on increased production for local and export markets will be addressed during the plan period. Included in these will be slow growth in domestic savings and investment, limited access to extra-regional markets; limited marketing capability and market intelligence; and shortage of skilled manpower.

A conscious effort, it is said, will be made to motivate local and potential investors to invest in industry. It is expected that this will include procedural adjustment of the Export Credit and Insurance Guarantee Scheme under the aegis of the Central Bank to facilitate access to funds; greater encouragement of joint ventures between local investors and regional partners; and measures designed to break down existing psychological barriers which inhibit the release and development of entrepreneurship.

The IDC will direct its local promotion efforts at encouraging more local entrepreneurs to start manufacturing ventures and at attracting a greater diversity of manufacturing activities with emphasis on projects which have greatest export potential.

In order to achieve its objectives, the IDC intends, among other things to use more effectively the resources available through existing institutions such as the Commonwealth Fund for Technical Cooperation, the Centre for Industrial Development, the Canadian International Developmen Agency, the Organisation of American States, and the United States Agency for International Development.

#### Foreign Support

Bridgetown THE NATION in English 22 Feb 84 p 15

[Text] Although they did not make any pledges toward Barbados' \$720 million Development Plan, several donor agencies have displayed keen interest in specific projects, according to Minister of Energy Senator Clyde Griffith.

"There is some interest in the development programme," explained the minister, "but a lot of the efforts to finance the plan would have to be pursued on a bilateral basis."

Barbados went into the meeting of the World Bank's sponsored Caribbean Group for Co-operation and Economic Development with a US\$130 million gap between the sums which have already been identified for the plan and what the country needs. But when the meeting was concluded there were no solid pledges.

Senator Griffith, who led the Barbados delegation at the meeting, said that unlike last year when Barbados met with the Group in Paris, the island this year did not ask for balance of payments support but instead focused on project financing support for the plan.

"For some of the projects in the Development Plan we have already identified financing," Senator Griffith said. "The Caribbean Development Bank has already indicated an interest in supporting some of the projects and some of the donor agencies have expressed an interest in bilateral discussions within the next year."

One of the major concerns which Barbados has at the moment the minister said, was that the World Bank "wants to force Barbados to go to the commercial market," to finance its development efforts.

"If that happens," Senator Griffith warned, "it would increase the debt profile of the island, something the Government does not want to do."

The minister was specifically referring to the World Bank's proposal to graduate Barbados and so make it eligible for development financing at lower rates of interest.

"The World Bank wants to force Barbados to go to the commercial market at a very early stage of the graduation programme and we have been fighting that tooth and nail in the past. I believe we have been able to strike a responsive cord. There has been some reaction in some quarters to the need for flexibility in looking at the whole process of graduating for Barbados."

#### Aid to Small Businesses

Bridgetown THE NATION in English 22 Feb 84 p 15

[Text] Five commercial projects are to be undertaken by the Industrial Development Corporation (IDC) during the current Development Plan.

The intention is to pursue these projects which, it is said, might have "a significant developmental impact, but which have a low initial appeal to the private sector. It is anticipated that when these projects reach commercial viability, the private sector will be invited to share in the equity."

Furniture, embroidery and tannery projects are currently being developed and will be ready for implementation early in the plan period.

The furniture project should be completed by 1985/86 and will employ 15 to 20 persons initially. The project will comprise the installation of a timber drying kiln to service the wooden furniture industry; provision of centrally located common services; facilities for small local manufacturers; comprehensive training programmes to meet all the managerial and technical needs of the furniture industry, and establishment of a furniture trading company with responsibility for coordinating a programme of acquiring raw materials and accessories.

The embroidery project, due for completion this year, will provide employment for 300 underemployed low income persons, using the cottage industry system to produce quality embroidery for export. Equity will be offered to the workers when the project is fully operational. It will be funded by external capital.

The tannery project is expected to be completed at a cost of \$7 000 and to employ eight persons initially. Raw materials will be provided locally from the by-products of the meat processing industry. Some 2 800 hides and 10 600 skins will be processed yearly. The project should lead to increased incomes for local craftsmen and to some foreign exchange earnings.

Under the heading of Foreign Investment, the plan states that while Barbados can expect to maintain or increase its current share of investment from North America by capitalising on its geographicl proximity to the United States and effectively exploiting the benefits provided under the Caribbean Basin Initiatives, efforts will be made to diversify foreign investment sources.

In the Small Business sector, Government is said to recognise the important role this has to play in the economic development of the country and will therefore increase its support of the sector during the current plan period.

Objectives for the sector over the five-year period will be to:

- develop a dynamic and viable sector;
- provide opportunities for people with small sums of money;
- participate meaningfully in the main stream of economic life in Barbados;
- provide employment opportunities;
- develop indigenous technologies appropriate to the country;
- develop entrepreneurship; and
- identify business opportunities and projects.

It is proposed to establish a Project Idea Centre, mainly to identify viable projects. The Centre will work closely with support institutions to implement small projects.

Training opportunities for the small business sector will be strengthened and expanded and greater encouragement is to be given to this sector, particularly those persons with new and practical business ideas.

Efforts are to be made to establish a Government Investment Trust to facilitate the financing of viable projects. Such a mechanism will provide assistance to small businesses which do not normally qualify for funding from financial institutions and provide local guarantees to cover unsecured portions of loans from commercial or development banks.

The Trust is to be administered by the Barbados Development Bank which will also be responsible for its loan portfolio. Initial size of the fund is expected to be in the region of \$2 million.

Short-term objectives have been set out for development of the handicraft sector, and these are to:

- consolidate the reorganisation of the sector;
- increase and sustain public awareness of the industry;
- develop a cadre of skilled craftsmen as trainers for an accelerated training programme;
- introduce new craft skills;
- stimulate interest in the formation of crafts cooperatives;
- expand marketing services;
- implement measures to facilitate the procurement of raw materials, tools and accessories by cottage production (where the items are available overseas only).

Efforts will be directed toward increasing employment in the industry from an estimated 550 at present to about 1 200 by 1988 and doubling national production from \$4 million to \$8 million.

Efforts will also be made to increase total IDC annual sales by 50 percent to \$1.8 million and exports of local handicraft from \$0.1 million to \$0.7 million by 1988. It is expected that by the end of the plan period the handicraft sector will supply 60 percent of the domestic market, leading to foreign exchange savings of \$9 million.

CSO: 3298/602

## FOREIGN POLICY ASSESSED AT CHIEFS OF MISSIONS MEETING

## Overall Policy Review

Bridgetown BARBADOS ADVOCATE in English 5 Mar 84 p 9

[Article by Eric Smith]

[Text] Barbados' diplomatic row with Trinidad and the growing importance of consular representation will undoubtedly be some of the important points likely to be discussed when Barbados' Heads of Overseas Missions sit down for discussions from today at the Dover Convention Centre.

The week-long session which will be presided over by the Minister of Foreign Affairs, Mr. Louis Tull, is the first such meeting under his direction since he took up the portfolio in 1981. He is scheduled to open the session with a critical examination of the island's foreign affairs looking at areas of success and failure.

This meeting will be welcomed not only by senior staff in the Ministry of Foreign Affairs, but by Barbadians at all levels and political colours who would want to know about the work which the missions have been doing.

Indeed, some political observers see this meeting as "a report to the nation" since so little is heard of or known about what most of Barbados' overseas missions are doing. Most of them tend to come into the spotlight only during a crisis as was the case during last year's military intervention in Grenada, in which Barbados played a leading role.

Indeed, this military action by one of the World's super powers, United States of America, in association with some of its basin neighbours, has undoubtedly had a negative effect on Barbados' standing in the world community, particularly among the Third World and non-aligned nations. The role we played in the intervention would certainly have placed a great deal of pressure on most of our overseas missions.

It must be remembered that Barbados lost the important UN Security Seat as a result of its action in Grenada and now seems set on losing the chance of having one of its retired diplomats, Val McComie, as the logical choice for the Secretary-Generalship of the Organisation of American States. What our

Ambassador to Washington and the OAS, the Permanent Representative to the UN and the Charge d'Affaires at the missions in Venezuela and Trinidad have to say about Mr. McComie's chances of winning the coveted post would be most interesting. There would most certainly have been a great deal of feedback in the places from which they operate.

Perhaps, the point which could stir up the greatest interest would be the diplomatic row between Barbados and Trinidad which followed the military intervention, resulting in the Trinidad High Commissioner here, Dr. Basil Pitt, being sent home and our man designate for the post, Mr. Raoul Harris, still not yet in Port-in-Spain.

This has been a most unfortunate thing, since Barbados does need urgently representation in Port-of-Spain as vital trade relations between the two countries have hit rock bottom. Then, there has also been the matter of the "passport issue" which, even if it had been enforced for quite sometime does need clearing up and looking into at the highest level. High Commissioner designate Harris, an able administrator and reportedly very capable in the area of trade, will certainly have his hands full. When he does get to Port-of-Spain.

Focus will surely be on Ambassador to the European Economic Community, Mr. Oliver Jackman, a career diplomat and the most senior of all the heads of overseas missions. A quiet and dedicated worker, Jackman has been doing an excellent job in Brussels in negotiations leading up to the LOME III, being worked out between the ACP and EEC nations. This occasion will give Mr. Jackman, perhaps the most easily accessible diplomat as far as the news media is concerned, an opportunity to report on the LOME II successor talks and indeed all the other important bilateral areas he has been looking into.

Reports that Mr. Jackman will be retiring from the public service are also expected to be confirmed at this meeting.

The appointment of a new High Commissioner in London is also expected to be announced by weekend, where Minister-Counsellor, Harold Brewster, is acting following the recall of Algy Symmonds, now a Permanent Secretary in the Ministry of Defence. This mission remains one of extreme importance if only because of the large number of Barbadians resident in the United Kingdom and the many problems they have been encountering. Indeed, if what the leaders of the various Barbadian associations in Britain have been saying during their visits here is true, then it is crucial that we have a High Commissioner there as soon as possible.

Despite plans to set up Embassies in areas designated as of growing importance, it is most unlikely that Government will go ahead with such efforts in light of its current financial situation. There is also the need to consolidate on the missions already established as opposed to opening new ones.

However, what could very well be questioned is the apparent downgrading of the mission in Caracas. While the public may not be privy to what plans the Foreign Ministry might have for Latin America, it is becoming extremely

important for Barbados to have a strong and permanent presence in that hemisphere. The growing ties between Barbados and Venezuela Colombia and Brazil is testimony to this importance.

Those people who have been watching relations between Barbados and its Latin American friends would not have forgotten that two years ago, relations between them soured when Barbados openly supported Britain against Argentina in the Falklands (Malvinas) war.

It must be remembered the Latins have always held a very strong position against intervention by what they consider "Imperial countries" and saw Britain's role in the Falklands as that of a neo-colonialist, and Barbados as a backer of such a position.

Although relations between Barbados and the Latins healed after the Falklands, this country's role in Grenada must have placed it in an awkward position with those nations of the Southern hemisphere.

In less contentious areas, the role Barbados' Foreign Missions have been playing in the areas of foreign trade and tourism should be one of the areas of great interest during this week's deliberations. The papers to be presented by the Ministry of Trade and Tourism along with the Export Promotion Corporation and the Board of Tourism are going to be rather important.

One would indeed hope that the Foreign Minister and his Overseas Heads of Missions find the time to meet with the heads of the various private sector bodies involved in export trade and tourism.

Undoubtedly, in these areas of trade and tourism, the appointment of a strong cadre of honorary consuls to supplement the work of our Ambassadors and Consuls General is going to become increasingly more important.

A clear example would be with the United States, where there is a tremendous market for our products and for attracting tourists, but where our fulltime diplomatic representation is too small and concentrated mainly in Washington. To service areas of growing importance such as Atlanta, Texas (Austin) Florida and many other areas along the eastern seaboard. The same thing applies to Canada where we need a stronger presence.

One of the areas which I may criticise, and perhaps this is out of ignorance since we are not informed as to what has been happening there, is our United Nations mission. I am wondering whether from this mission, where we would have a chance to negotiate with those countries on directions from the Foreign Ministry which do not have an accredited diplomat here or we in their country, as to whether more opportunities in trade, tourism and education and other areas could not be explored.

Indeed, from our friends in the Non-Aligned Movement we would expect our mission at the UN to get a lot more for us. Mr. Tull might very well elucidate on this today or sometime during the week.

### Call for Talks With Trinidad

Bridgetown SUNDAY ADVOCATE in English 11 Mar 84 p 1

[Text] Foreign Minister Louis Tull has called for more bi-lateral talks between Barbados and Trinidad and Tobago to discuss areas of further co-operation.

Mr. Tull told a news conference there were still some outstanding areas in the memorandum of understanding between the two countries, that needed to be followed through.

Among these are cooperation in the field of health, and in the field of post secondary education.

"I think high powered delegations from the two countries ought to get down and discuss these and other areas," Mr. Tull said.

"We thought about that and felt that perhaps we should reactivate bilateral exchanges between the two Governments," Mr. Tull stated.

Relations between Trinidad and Tobago and Barbados became strained last October following differences arising out of the United States-led multinational invasion of Grenada.

### Tull on Cuba

Bridgetown THE NATION in English 12 Mar 84 p 1

[Text] BARBADOS will not be seeking to break off its current "proper" relations with Cuba on account of developments in the post Grenada intervention period.

This was made clear by Minister of Foreign Affairs, Mr. Louis Tull, at a Press conference on Saturday. He told newsmen that any Barbadian attempt to do such would be at this country's peril.

Mr. Tull said that there was a feeling that as a result of what happened in Grenada last year and the discoveries in the post intervention period, Barbados "should keep Cuba at bay and have little or nothing to do with her."

"I don't agree with that view," the minister said.

"Cuba is a paramount power in the Caribbean and we can ignore its presence in the Caribbean at our peril," he said.

Mr. Tull added: "I would not recommend that relations with Cuba should come to an end or should be downgraded because it is important for us to impress on Cuba that we have different political and ideological orientations and that our values and our goals are different from theirs and that they should respect ours in a way in which we will have to respect theirs."

Mr. Tull said that only with discussion and contact would the two countries be able to have better understanding of each other.

Tull on OECS Links

Bridgetown THE NATION in English 12 Mar 84 p 24

[Text] MINISTER of Foreign Affairs, Mr. Louis Tull, has said that Barbados is not seeking a formal association with the Organisation of Eastern Caribbean States (OECS).

"It would be presumptuous of Barbados to seek to impose itself on that organisation," Mr. Tull said.

Barbados has moved closer to the OECS "through pressure of circumstances" the Foreign Affairs Minister said, adding: "We are at the moment enjoying a relationship that is so close to ideal that it frightens me".

"Barbados will for the future maintain its close ties with the Eastern Caribbean States because we have a lot in common," Mr Tull said, "and we should seek from our close association to maximise a number of benefits."

He said that the concept of Barbados joining with those countries to establish a regional defence force is "to give us the capability to deal with domestic problems such as domestic insurrection or assault on our individual countries by mercenaries or adventurers."

CSO: 3298/615

**MEDICAL GROUP MAINTAINS OPPOSITION TO GOVERNMENT POSITIONS****Criticism of Medical School**

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 1

[Text] BAMP has completely rejected Government's contention that the St. George's medical school could fill a vacuum in medical training should the University of the West Indies (UWI) break up.

This was stressed by Vice Dean of the UWI Medical Faculty, Professor E. R. Walrond, during a press conference held yesterday. He said he hoped the Barbados Government would do everything in its power, "as it has in the past," to see the University remain, since a regional facility was more conducive to a high standard of medical school than a small island one alone.

But Professor Walrond's chief concern was the Prime Minister's statement as to what he saw the future as being should the UWI cease to function.

"I am a little disturbed by the solution of placing medical training in the hands of foreign commerce." The St. George's school he said, was a foreign company, and was there to make money like" any dry goods store or other business. "And the day that the profits are not good enough, they will get up and go."

This was unless they had "a strangle-hold on the country", he said, "in which case they would dictate to Government their terms". Medical training, he said, was something that should not be "contracted out" to people, especially those whose main business is to train people for a completely different system, for a completely different culture."

"How you could expect to meet the health care needs for Barbados within the system that you project by training them for another system, really makes the mind boggle."

**Health Service Objections**

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 1

[Text] In a recent meeting held by the Barbados Association of Medical Practitioners (BAMP) the concensus coming from members was they would not accept

Government's current position in the negotiations of the National Health Service (NHS).

This was stated yesterday by Vice Dean of the University of the West Indies (UWI) Medical Faculty, Professor E. R. Walrond, who said members at that meeting were "quite adamant" in their stand.

Professor Walrond, who is one of four members of the negotiating team for the talks on the NHS, said, "We cannot, as the negotiating committee, agree to something the members would not accept."

He continued, "We hope, of course, that talks can continue, and that at our next meeting, to be held later this month, we can present something that will be acceptable to them (the membership)."

Professor Walrond, who was speaking at a Press conference along with president of BAMP, Dr. Michael Hoyos, also a member of the negotiating team, noted that the recent meeting was well attended. He said the next meeting, set for later this month, will be the Association's annual general meeting.

Professor Walrond noted that the Association was seeking to negotiate a settlement on behalf of its members, similar to the work of a trade union, and he stressed, "It is the members in the end who will have to decide if they will accept such a contract or not."

CSO: 3298/618

**PARLIAMENT DEBATES FUNDS NEEDED FOR EXPORT PROMOTION****St John Resolution**

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 10

[Text] Government is injecting more funds into the Export Promotion Corporation to allow the EPC to render assistance to exporters who want to sell their goods outside of the Caricom area.

Minister of Trade and Industry, Bernard St. John moved a Resolution in the House of Assembly yesterday for a supplementary vote of \$75 000 for the EPC and told the House that it was anticipated that next financial year "a very substantial increase in the Appropriations Bill for the Export Promotion Corporation will take place."

The Trade Minister said that the EPC has been endeavouring to encourage a tremendous amount of market research in new areas and it was therefore necessary to have the supplementary vote.

Mr. St. John recalled that last year around Estimates time it was agreed that the EPC would canvass with manufacturers the possibility of having a levy on exports for the purpose of co-financing with Government help, the cost of export promotion.

He said the Commonwealth Fund for Technical Cooperation (CFTC) has done a review of co-financing efforts by a large number of Export Promotion Corporations all over the world.

He added, however, that at the present moment the general view was that in the context of the Caribbean a levy on exports might not be the most appropriate method of providing that proportion of funds to the EPC which should come from manufacturers.

Mr. St. John said Government would like to see a small levy on inter-regional trade to allow the EPC Secretariat and the Caricom instruments to be self-financing, in the same way the European Economic Community has done. He noted that the Caribbean Association of Industry and Commerce (CAIC) was also looking at this.

The Trade Minister said that while these opinions were being canvassed it was necessary to ensure that the EPC was adequately funded.

He told the House that Government's view was that the mere provision of funds was not going to translate the opportunities under the new access provisions of the Caribbean Basin Initiative into practical reality.

Mr. St. John stated that Government might negotiate favourable agreements at the local level but more was needed in addition to governmental efforts.

He said there must be adequate marketing expertise and our productive capacity must be pitched to the system in operation.

Mr. St. John told the House that the EPC had 10 applications for assistance to manufacturers outstanding and the money voted yesterday was for this.

#### Trading Problems

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 10

[Text] With trade problems in the Caribbean still unresolved Trade and Industry Minister, Bernard St. John, has appealed to "all and sundry" to conduct their affairs in a non-competitive method.

"We should conduct our affairs in a civilised approach. Gone are the days when abuse and threats and tactics of that kind can bully anybody," he said.

The Trade and Industry Minister was winding up debate in the House of Assembly on a supplementary vote of \$75 000 for the Export Promotion Corporation.

"However justified we may be in our minds that we are worth a million, that would be useless if we cannot get anybody to agree that we are worth that," the Minister said.

Turning specifically to the trading problems being experienced by this country, he said that Barbados was not a country that produced cheap goods.

"We have to produce goods of quality, we have to look for that niche in the market for good quality goods," he urged.

Reacting to a suggestion by Opposition MP, Branford Taitt, that the trade problems between this island and Trinidad had to do with the political directorate of the two countries, Mr. St. John said the issues to be resolved in Caricom had nothing to do with these two countries.

He said it was recognised that if these two countries were to survive they had to work together because their economies were interlocked.

He said the Treaty of Chaguaramas--the Treaty establishing Caricom--never realised that there would be two More Developed Countries reaching such a perilous economic state. (He was referring to Jamaica and Guyana).

## Need for Extra-Regional Markets

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 10

[Text] One unintended consequence of the difficulties Caricom has been experiencing recently is that local manufacturers would be forced to adapt to the requirements of the extra-regional market.

This has been stated by Minister of Agriculture, Dr. Richard Cheltenham, a former Chairman of the Barbados Industrial Development Corporation.

"Government has been emphasising for a long time that more and more manufacturers in Barbados should gear themselves to the extra-regional market", Dr. Cheltenham said.

He added that while the Trinidad market was available to local manufacturers they were not investing seriously in going extra-regional.

"The extra-regional market is not an easy market but at the same time it is not impossible," Dr. Cheltenham said.

He pointed out that what was needed was a spirit of adventure and a careful study of the requirements in those markets.

He said there were distributors in the United States that would be content with nothing less than thousands of dozens of any one manufactured product, and equally there would be some who would be content with one hundred.

He noted that the U.S. was a market where you could get the most expensive and highest quality goods, but it was also a market where you got the shoddiest and cheapest goods.

Dr. Cheltenham reacted to a comment from Opposition MP, Branford Taitt, that the IDC had not fulfilled the goals it had set itself in its four-year Development Plan published in 1975.

He said that a firm of consultants who undertook a study of the IDC reported that manufacture out-performed every other sector in the 1970's and performed above the national average.

Dr. Cheltenham was of the view that not enough money was being spent on export promotion and said he was glad that a supplementary vote was being sought.

## Taitt Disagreement

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 10

[Text] Opposition MP, Branford Taitt has charged that a lot of misinformation was being promulgated, mostly from government agencies, which suggested that

Barbados has been doing extremely well and was poised to take advantage of great export opportunities outside of the region.

"I think that we would be a lot better off if we would deal with the reality of our infrastructural situation," he suggested.

The St. Michael West MP was speaking as the House of Assembly moved into Committee of Supply on a supplementary vote of \$75 000 for the Export Promotion Corporation.

"Although there are a number of opportunities knocking at the door for Third Country exports the plain truth is that in terms of capacity Barbados is still not in a position to take substantial advantage of these opportunities," Mr. Taitt said.

The Opposition spokesman on Trade said that the people of the Caribbean would not reach the quality of life "which all of us anticipate and hope for" if exports from the region were not increased to a significant level.

He was of the view that Barbados could be in a position where it was not the victim of every single movement of the international community.

He felt that if Barbados operated at a certain qualitative level--a level of unemployment that would go no lower than 5, 6 or 7 per cent would be ensured.

Mr. Taitt maintained that Barbados, despite some 15 years of examination and constant shifting and searching for wide policy, was still too far behind in its ability to tap extra-regional markets.

"What is required is a realistic appraisal of the performance of the manufacturing sector over the last five years," Mr. Taitt suggested.

He said that Barbados had not reached the goals set out in its four-year Industrial Development Plan put forward in 1975 and the basic reason for this was a failure at the export level.

#### Implications for Labor

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 10

[Text] Deputy Opposition Leader, Erskine Sandiford, is concerned about "the kind of example Government was setting for the labour force in this country."

He said that if this continued the country would not be able to gain the kind of export markets being sought (outside of the region) because there would be a dissatisfied labour force.

"We have got to ensure that Government sets an example in labour relations," the St. Michael South MP said.

Mr. Sandiford was speaking on a Resolution to grant a supplementary vote of \$75 000 to the Export Promotion Corporation to enable the EPC to assist local manufacturers in tapping extra-regional markets.

He reacted to Government backbencher, Aaron Truss, who was full of praise for the work being done by Minister of Trade, Bernard St. John.

He said that Mr. Truss obviously misunderstands the mood of this country and the problems being faced.

Mr. Sandiford pointed out that Barbados was in dire straits and this was not the time for MPs, whether in Government or Opposition, to be massaging the ego of any particular Minister or MP.

"This is not some kind of esoteric subject that we are dealing with. We are dealing with the problems which the worker from St. Lucy, St. Philip, St. John and St. Michael South face in this country. We are dealing with problems not only of export but the question of employment, because the reason we are exporting is to earn foreign exchange so that we may be able to import," he said.

CSO: 3298/616

## BOND ISSUE, PART OF SUGAR PRICE SUPPORT EFFORT, READY

Bridgetown BARBADOS ADVOCATE in English 24 Feb 84 p 1

[Text] The Barbados Sugar Industry Limited (BSIL) will launch its second Bond Issue of Bds\$10 million next Monday as part of its Sugar Price Support Scheme.

The Bond Issue will be offered in two series and will seek to bring much needed capital into the industry, which has been losing steam recently as a major foreign exchange earner for the island.

The Sugar Price Support Scheme was announced late last year by Minister of Agriculture Dr Richard Cheltenham and was part of an effort to revive the faltering industry.

Mr Grenville Phillips of Colybrand Company Services Limited, the Bond Issue agents, said, "Although there will be \$10 million in new bonds, it will not necessarily be \$10 million of new money being taken out of the economy at this time."

He noted that part of the proceeds from the new issue will be used to redeem a previous issue of Sugar Industry Bonds which was released in 1982.

Mr Phillips outlined how the two series will work. Series 'C' will be issued as 10 1/4 percent taxable bonds, redeemable at par between 1987 and 1990, while the other series, 'D' will be issued at 7 1/4 percent tax-free bonds, redeemable between 1987 and 1988.

In 1982 Government came to the rescue of the industry with the price support scheme which strengthened the financial position of the sector following a near collapse that included near bankruptcy of some estates.

A soft loan of \$20 million was made available to the industry and the scheme sought to bring about a reversal in the sector.

Barbados is expected to produce some 100 000 tonnes of sugar this year as efforts continue to revive the industry.

CSO: 3298/603

**CHELTONHAM SIGNS SUGAR-ASSISTANCE AGREEMENT WITH FAO**

Bridgetown THE NATION in English 6 Mar 84 p 19

[Text] AN agreement for US \$61 000 from the Food and Agriculture Organisation (FAO) for technical assistance for the sugar industry was signed yesterday by Minister of Agriculture, Dr. Johnny Cheltenham, and the new FAO representative in Barbados, Mr. Frederick Zenny.

Owing to this FAO agreement, Mr. David West, a qualified and experienced Barbadian who is living abroad, will return home again to assist in developing the agricultural sector.

Mr. West, who is an agricultural consultant, has worked with the World Bank, and is now employed as a sugar technologist consultant with Hawker Siddley, manufacturers of agricultural equipment.

Mr. West was the sugar technologist consultant who was appointed by the Canadian International Development Agency (CIDA) to work on the Cane Separation Project several years ago.

After signing the agreement, Dr. Cheltenham said it was specifically for technical assistance for the sugar industry, and would be jointly undertaken by technicians of the Barbados Sugar Industry Limited and the consultant Mr. West.

The minister said the objects were to provide technical and managerial operations assistance to the sugar factories in Barbados, and provide in-service training for junior technologists and operations personnel.

The main areas of activity, he said, are to:

--Identify all managerial and technical problems related to sugar factories operations in Barbados;

--Assist in supervision, development and upgrading of all processing operations, such as milling, clarification, evaporation, crystallisation and separation in sugar factories with a view to maintaining product quality and operational efficiency.

--Provide in-service training on the job, and technical and operational personnel and laboratory staff doing sampling and analysis of cane sugar products and by-products; and

--Assist in the preparation of weekly reports showing cane ground, sugar manufactured, mill and boiling house performance.

Dr. Cheltenham said that for a considerable period of time in its history, sugar was the mainstay of the Barbados economy until in the 1960s, the industry ceded its status to tourism's influence.

He noted that it was important to maximise the efficiency of the industry, particularly bearing in mind that Barbados was regarded as a high sugar cane producer.

The minister regarded the continuing assistance provided by the FAO to be of "inestimable value" not only to BSIL, but to the nation as a whole.

Mr. Zenny, who succeeds Mr. Giovanni Tedesco, who left Barbados a few months ago, said it was his intention to be always responsive to requests as much as FAO's resources would permit, in Barbados' efforts to develop its agricultural sector.

CSO: 3298/616

**TRANSPORTATION COSTS ASSESSED BY ADAMS, OPPOSITION****Concern Over Subsidies**

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 1

[Text] Prime Minister and Minister of Finance Tom Adams has said his Ministry was concerned at the level of subsidies at the state-owned Transport Board.

And he has promised that the coming estimates will not see so large a subsidy allocated to that body.

Mr. Adams was speaking in the House of Assembly yesterday during a debate on a \$3 million supplementary provision to the Board which has come under increasing pressure for its inefficient bus service to the public.

Most of the \$3 million will go to National Insurance and PAYE arrears.

Mr. Adams said that earlier in the financial year a subsidy of \$10 million had been given to the board. The wage bill which was \$1 million has since been increased to \$4 million.

In explaining some of the losses of the board Mr. Adams said that it provided a free travel for people over 65 years and that had cost the board \$1.6 million annually.

Furthermore he stated that the subsidised school bus fare amounted to \$1.9 million annually, and for those policemen who travelled free this was costing the board \$400 000.

He promised that the Government was going to increase the votes to cover these costs, and it was going to pay them in full to the board.

In this way, Mr. Adams pointed out, Government will be able to have a fair estimate of what was the true subsidy.

He said that as countries become more industrialised there was a need for public transportation, and there was a tendency for public transportation to become uneconomic.

He said too that the board was doing its best at the moment.

The Prime Minister said Government had been fighting against the board's increasing its subsidy since 1979 but it was the price the country had to pay for the new commercialisation in the country.

Meantime deputy Prime Minister Bernard St. John has said that every time there is a wage increase for employees at the Transport Board, someone had to pay for it.

Mr. St. John told the House that the money will either have to come from an increase in bus fare or from a subsidy.

Mr. St. John said that the cost of wages was an important component of the transport system but stated that Barbados still had the finest fleet of buses in the Caribbean.

He said in relation to the problems at the board that there had been a large fleet of unsuitable equipment referring specifically to the Seddon Diesels. These have since been replaced.

However, he stated that Cabinet had agreed that the board's fleet will be made up of Leylands and Mercedes Benz.

He noted also that in the last year or so the quality of buses had been at its highest stage.

#### Taitt Criticism

Bridgetown BARBADOS ADVOCATE in English 7 Mar 84 p 1

[Text] The problem-ridden Transport Board was the target of Opposition criticism yesterday when the House of Assembly discussed a supplementary provision for \$3 million to meet the board's commitment and anticipated expenditure.

Opposition MP Branford Taitt said that between 1976 and the time of the last Minister, \$25 million had gone down the drain at the board whose service he said had been inept and which was disrupting the social lives of the public.

Mr. Taitt said that the cry had gone from Checker Hall, Pie Corner, Horse Hill, Belleplaine and Ruby, for a better bus service.

Added to this the St. Michael West MP said he had heard complaints raised on local radio call-in programmes that on some days schoolchildren had left home as early as 6 a.m. and reached school at 10 a.m., whereas some days they did not reach school.

He said that a succession of Ministers had each promised an improved service, and stated that the only time there appeared to have been movement at the board was during the time of the member for St. Michael East, Dr. Don Blackman is the Parliamentary representative for that constituency.

Mr. Taitt also queried the necessity of giving another subsidy to the board when the estimates were due later this month.

He charged that the poor bus service had caused industrial development in the country to suffer.

CSO: 3298/616

## FIVE-YEAR PLAN SETS FORTH OBJECTIVES FOR DEFENSE FORCE

Bridgetown THE NATION in English 12 Mar 84 p 12

[Text]

TOP priority will be accorded the continued training of all Barbados Defence Force personnel in military and coast guard duties in order to maintain an efficient and professional force.

This training is one of the main objectives set out for the force over the next five years.

Other objectives are participation in the new Regional Security System; establishment of the National Youth Service at the St. Lucy base; consolidation of the Cadet Force expansion; and completion of several renovation and construction programmes and the equipment purchasing programme.

In the area of training, it is proposed that further use of overseas courses in all aspects of training be made, together with the expansion of the force training team.

At St. Ann's Fort, says the plan, emphasis will be placed on

the completion of several projects. These include restoration of the iron barracks, completion of a ration store, gymnasium, and the officers' mess rooms. Expansion of the kitchen and dining hall and the renovation of the West India Barracks will also be completed.

At Paragon, efforts will be directed at developing the Old Paragon House complex into an airport security base and as a military training depot.

#### **DISASTER PREPAREDNESS**

The Central Emergency Relief Organisation, during the plan period, will concentrate on building designs; improved communications; training; community education and participation; and revision and improvement of arrangements for the Emergency Operations Centre.

Noting that those usually most afflicted by a disaster are the poor, the plan states that it is proposed to maintain, under the supervision of the Welfare Department, adequate stocks of blankets, beds, feeding utensils, lanterns and torch lights, among other things, during the hurricane season.

It is also proposed to acquire an emergency tender, capable of being used in various types of disasters — from jacking-up an aircraft which has crashed, to cutting victims out of an automobile accident. This unit will be allocated to the Fire Service.

#### **SERVICES**

The plan says the overall objective of the Government is to foster the development of Barbados as a leading service centre for international business companies, offshore banks, captive insurance companies and registration of shipping.

It is expected that the resulting economic activity will make significant contributions to employment creation and foreign exchange earnings, the plan states.

#### **FOREIGN AFFAIRS**

During the plan period 1983/88 Government says it will pursue a foreign policy that is geared toward obtaining political and economic benefits which best safeguard or advance the national interest, security and prosperity of Barbados.

In order to achieve its objective, Barbados will work both bilaterally and multi-laterally with all countries, especially with fellow developing states.

The aim of such cooperation is the promotion of those international issues which are of particular interest for small developing states, particularly the procurement of resources for development.

"Because of historical and geographical realities," states the plan, "the focus of the diplomatic effort will be on CARICOM, other regional institutions and on fellow Commonwealth countries."

It adds that while the main emphasis will be on economic

development. Barbados will not overlook its commitment to the advancement of concepts of morality and justice in international affairs.

It will also support measures aimed at promoting human rights and self-determination.

Economic development and international justice, it notes, best develop within a peaceful climate. Hence, Barbados will encourage efforts aimed at eliminating conflict and the potential causes of warfare.

Both professional and supporting staff in the Ministry of Foreign Affairs will be increased during the plan period.

Arrangements will be made for purchasing or leasing on a long-term basis, buildings for housing Government offices in New York and London. Office accommodation will also be purchased or leased for the newly established resident high commission in Port-of-Spain, Trinidad.

## SCIENCE AND TECHNOLOGY

The plan says that the formulation of a comprehensive national policy on science and technology is a priority and will engage the attention of Government early in the plan period.

Government intends that the National Council for Science and Technology should seek full membership in the Caribbean Council of Science and Technology and the local council will be restructured during the plan period.

To support the activity of the council, Government will provide financing for its work and will also seek grant funds as a spur to encourage private research and development.

Total capital expenditure on other public sector programmes is estimated at \$63.7 million.

CSO: 3298/617

**FARIA QUILTS MONALI, CITES DIFFERENCES ON ISSUES****Bridgetown BARBADOS ADVOCATE in English 8 Mar 84 p 10****[Text]**

Citing "deep political differences" and calling it an "irrelevant sect" a former top ranking official of the small but vocal local political organisation, the Movement for National Liberation (MONALI), has split from it.

Journalist Norman Faria, who had submitted his resignation from the Movement's Political Bureau and Central Committee before he finally broke with it altogether, said he was leaving the leftist group in "frustration and disgust." He was also its Publications Secretary.

Faria argued that the organisation was not building "mature links" with the working class and the people of Barbados.

"We were not winning over politically stable, class conscious older

workers nor did the undemocratic clique who came to control the organisation have any interest in doing so. Instead of developing into a sound building organisation for the alternative party, MONALI, or what is left of it after the departure of several other members, has in reality degenerated into an irrelevant sect," said Faria who while he was a Political Bureau member had represented the group at several public functions overseas.

When pressed to elaborate on his claim that the group was being run undemocratically, Faria said that it was "riddled with double standards with one set of rules for a certain clique within it and another for other comrades." He said that the organisation's

planning meetings were not run in a democratic manner and that he had to submit his resignations from the leading bodies in protest.

Faria also revealed that he had differences, "going back several years," with the group's stand on the "burning issue" of racial politics in the island.

"The Movement has an incorrect position on the issue. The clique simply refused to learn from the lessons and stands of the democratic movement all over the world on this issue — that is to fight tirelessly for a multi racial society. The Movement's position is opportunist and does not serve to advance the interests of all democratic minded Barbadians in a healthy way. Indeed, despite its declared aim to combat

racial bigotry, the last year was forcibly ejected from a press conference held in Barbados by former Grenada Prime Minister Sir Eric Gairy, said that he remained "a socialist committed to democracy, peace and justice".

Barbadians in general," said Faria.

On the question of last October's Grenada events and where he stood on the matter, Faria explained that he was unable to win over enough support in the Political Bureau for the Movement to publicly dissociate itself from "Coard and the political hyenas" and defend "comrade Maurice", Faria added that he continued to condemn the "invasion and occupation of Grenada by U.S. imperialism."

When pressed to state where he now stood politically, Faria, who

Faria has also resigned from another local organisation, the Southern Africa Liberation Committee (SALC). As a researcher with the SALC he authored two pamphlets: "Space Research Corporation — How a Transnational Munitions Company used a West Indies government to Test Artillery Shells for the South African Armed Forces" and "Sports and Apartheid — Caribbean Sports People and the Boycott of South Africa".

He gave no reason for his break with the SALC.

CSO: 3298/617

## BRIEFS

NEW COMMUNICATIONS CHIEF--MR. PETER SIMMONS, 41, has been appointed to the post of director of communications in the Ministry of Information and Culture. He had his early education at the Lodge School and worked with The Advocate News as a sub-editor before going to London where he graduated from the London School of Journalism. Mr. Simmons is also a summa cum laude graduate of New York State University in politics, economics and sociology, and did post-graduate studies in political sociology and anthropology at Rutgers University. His career included working as a free-lance journalist in London; cultural and information attache with the Barbados mission, London; consul with the consulate in New York; assistant registrar, University of the West Indies; deputy representative and charge d'affaires, Barbados mission to the United Nations; and development planner, Ministry of Finance and Planning. Mr. Simmons has many publications including a research paper on class and colour contradictions in Barbados which appeared in the United States Academic Journal "Studies in Comparative International Development". He will advise the minister on all aspects of mass communication policy and telecommunication services. [Text] [Bridgetown THE NATION in English 8 Mar 84 p 24]

CSO: 3298/618

## GUATEMALA OFFICIALS REACT TO OVERTURES FROM HONDURAS

Belize City THE REPORTER in English 4 Mar 84 p 1

[Text] GUATEMALAN OFFICIALS, in the grip of an election fever, have denounced the Honduras initiative, taken by President Roberto Suazo Cordoba to promote closer ties of friendship and amity with Belize.

Reacting frostily to reports that Honduras and Belize would soon enter into bilateral relations which would involve cultural and commercial accords Guatemala's Foreign Minister Lic. Fernando Diaz-Duran said that Guatemala deplored the attitude of Honduras adding that Guatemala would object to any sort of recognition given to Belize as an independent state. Diaz-Duran repeated Guatemala's hard line that it would not recognise Belize until there was a satisfactory settlement of her claim.

The Guatemala Foreign Minister went one step further and said Guatemala would oppose any Belize participation in the plan for Central America which was evolved out of the Kissinger bi-partisan report.

"Belize will not be able to participate in any Central America project for development in which Guatemala will take an active part, until the Anglo-Guatemalan dispute is peacefully resolved", he said.

Observers in Belize point out that a lot of the Foreign Minister's bravado is pre-election rhetoric since Guatemala is not in a position to bar Belize from participating in the programme for Central America. But the hardening of the Guatemalan attitude to Belize under the new military regime will pose some diplomatic and political problems for Belize by causing Co Costa Rica and Honduras to be more circumspect in their expressions of friendship and solidarity with Belize.

In the Honduras capita last week the Prime Minister Mr Price took the direct approach and called on Honduras to recognize the independence and territorial integrity of Belize. He resisted the Honduras claim to the islands of the Sapidolla range by saying that these islands belong to Belize, adding: "but we are not going to fight over that".

The Belize Prime Minister told Honduras newsman that Belize had no present interest in joining the Central American Defence Organization CONDECA since Belize already had military arrangements with the United Kingdom Government for Belize's defence. This answer was taken to mean that Belize's interest in CONDECA could change if British troops were to be withdrawn.

## PRICE COMMENTS ON HONDURAS VISIT; TRADE ACCORD CRITICIZED

## Price Reactions

Belize City BELIZE SUNDAY TIMES in English 4 Mar 84 pp 1, 2

[Text] Prime Minister Mr George Price has said that Belize and Honduras share many values, chief among them the democratic process. The Prime Minister made the statement at the start of a three-day visit to Honduras that ended over the weekend. Mr Price was invited to visit Tegucigalpa by President Roberto Suazo Cordova.

On his arrival at Toncentin Airport the Prime Minister was welcomed by the Minister to the Presidency Mr Carlos Flores and the Head of the Honduran Armed Forces General Mr Gustavo Alvarez Martinez. During an exchange of remarks in the airport VIP lounge, Minister of the Presidency Mr Carlos Flores said both Belize and Honduras are led by popularly elected governments. He described Belize as a peaceful and democratic country in an otherwise troubled Central America. Mr Flores praised the Prime Minister's leadership and government, they had served the people in the fight for liberty, independence and social justice for all citizens.

In replying to Mr Flores' remarks, Mr Price said that both countries were democratic and had worked hard to establish agrarian reform and laws of a social justice. Mr Price also praised the Honduran government's search for peace in Central America and pledged support for the efforts of the Contadora Group. But he said this effort must be complemented by the recommendations of the Kissinger Commission report. "On the economic level, both efforts can be combined," he said.

Mr Price arrived in Tegucigalpa on Thursday. The following day he met for over an hour with President Roberto Suazo Cordova. After the meeting the Prime Minister said they had discussed bilateral matters and had analysed the current situation in Central America. "The discussions were very friendly and they will serve to carry forward the bilateral relations between Belize and Honduras" Mr Price told reporters.

After his meeting with the President, the Prime Minister met with the Minister for the Presidency, Mr Carlos Flores, and the Minister of Foreign Affairs, Mr Edgardo Paz Barnica. Following the meeting, the Foreign Minister said that

the question of the Honduran claim to the Sapodilla Cays in Belize's southern waters had not been discussed since "the talks did not focus on matters of controversy, but rather on positive topics that can serve to strengthen the relations between our two countries," said Mr Barnica.

Since the Prime Minister's return to Belize, it has been learned that Belize and Honduras are studying the possibility of entering into cultural and commercial agreements. It is understood that more talks between officials from both countries will be held in the weeks ahead to formalize these agreements.

#### 'One-Sided' Trade Pact

Belize City THE BEACON in English 3 Mar 84 p 10

[Text] ROBERTO ALVARADO, Honduran Minister of Trade and Economics announced on the 15th February that his country would sign a trade agreement with Belize.

In announcing the proposed agreement, the minister stated that it was in consonance with his country's policy of promoting their exports. They were seeking, fundamentally, to open new export markets. He said that even though the Belize market was not a large one it would be a start for new Honduran products--and every little bit would help.

He indicated that the immediate effect would be to benefit his country's businessmen.

It was obvious from his statement that Honduras were planning by this move to get into the Caribbean markets. In plain language this means that Belize would be used to open the back door for Honduras.

Accordingly, the Republic would present a list of their export items to the Belize Prime Minister on his visit to Honduras on the 23rd February.

The most significant thing about this arrangement is its one-sided nature. It is clear that Honduras stands to benefit. They will (1) export to Belize and (2) they would use Belize to sell to the Caribbean (Caricom countries). Not one word was said about the benefits that Belize would derive from this one-sided arrangement. So, once again, Belize is going to be used as "con-solebbe."

Once again our tax payers' hard earned money will be spent on an expensive, extravagant trip to Honduras with no visible benefits to Belize.

But, by now, Belizeans have learned that they can expect just this type of behavior from this incompetent government.

CSO: 3298/620

**PUP 'TINKERING' WITH ELECTORAL SYSTEM POSES CHALLENGE TO UDP****Photocopy Issue**

Belize City THE BEACON in English 3 Mar 84 pp 1, 11

[Text] TINKERING with the electoral system has become a standard practice of the PUP Government, especially in an election year. This general election year will be no exception.

Last year in the heat of the Belize City Council election campaign, UDP candidates and canvassers attempted to exercise certain rights contained in Representation of the People Registration Rules, which purportedly included the right to make copies of the records relating to the registration and identification of voters kept by the Chief Elections Officer Mr. Roy G. Young.

But after one day of photocopying, the Chief Elections Officer refused to allow any further copying by the U.D.P. representatives (Derek Aikman, Ramon Fasquez and Mark Vergo), and the matter was promptly taken to the Supreme Court.

The UDP representatives sought an Order of Mandamus commanding Chief Elections Officer Roy Young to allow them to inspect and take copies of the said records.

On the 22nd December the Chief Justice Mr. George C. R. Moe, Q. C., before whom the UDP application was heard, handed down his decision, refusing to make the order sought by the three applicants.

Since then, the matter has been appealed to the Higher Court, but a date for hearing has not yet been set.

This week the BEACON learnt that in the interim, the Attorney General's Office has been busy drafting amendments to the election rules, which specifically bars any photocopying of election records, and is designated to frustrate any decision that the Appeal Court might have made in favor of the UDP applicants. Those rules have now been completed. It now seems obvious that there are serious irregularities hidden in those electoral binders, that are for the eyes of the PUPs only and no one else!

## Blow to Political Unity

Belize City THE BEACON in English 3 Mar 84 p 2

[Editorial: "Government and Good Faith"]

[Text]

IN December of last year, the United Democratic Party sought to make video copies of the particulars of voter registration cards kept by the Chief Elections Officer. It was the contention of the Party that a right to do this was conferred by Statutory Instrument No. 73 of 1981.

As things turned out, the Chief Justice of Belize ruled that the Statutory Instrument was invalid since it had not been laid before the National Assembly as was required by law. In view of the ruling, the UDP has been calling on government to regularize the position by properly passing a new Statutory Instrument which would make expressly clear the right of all political parties to inspect and copy registration records.

Much to the dismay and anger of the UDP however, the government has now served notice that while it does intend to promulgate new rules dealing with the issue, those rules will do the very opposite of what the UDP has been asking. The new Statutory Instrument, which has already been prepared by the Government and a copy handed to the UDP, will in fact deny any right to copy the voter registration record cards.

This of course is crassest bad faith on the part of government. For the original S.I. 73 of 1981, which the UDP insists contained a right to copy, had been passed as a direct result of an agreement between Government and Opposition.

What happened was that after the violence which greeted the Heads of Agreement in March of 1981, a panicked Belmopan had been desperately courting the UDP and seeking national consensus on the Guatemala question and other issues. A series of unity dialogues was held, and as a result of the talks, Government undertook to redress certain urgent opposition grievances. Among these was the matter of electoral reform, and as a first step Government agreed to make legal provision for the right to copy and inspect the particulars of voter registration cards. This was to ensure that instances of double registration and other irregularities could be checked by the UDP.

So it was that S.I. 73 of 1981 was born. And Government clearly had a duty to correct the error which resulted in the S.I. being declared invalid.

Just last week we editorialized on the duplicity of Government - its propensity for making promises of convenience then violating them with impunity as soon as changed political circumstances seemed to allow. Now comes this latest outrage to fully underscore our point.

What it all means is that especially in this election year the UDP can expect no quarter and must itself give none. Let there be no more talk of national unity therefore, since the Government has willed a political fight to the death.

It is the duty of the UDP and the People, to be ready!

CSO: 3298/620

**PUP WINS DANGRIGA ELECTION; UDP, CDP SPLIT OPPOSITION VOTE****Report on Vote Count**

Belize City AMANDALA in English 2 Mar 84 p 3

[Text] DANGRIGA, Thurs. March 1. In retrospect, of course, both the UDP and the CDP should have known better. One always knows better in retrospect. But perhaps it was a collision which had to take place.

The UDP and the CDP destroyed each other here in yesterday's by-election for the two vacant Town Board seats, leaving the PUP candidates Simeon Joseph and Francis Castillo an easy victory, almost by default.

The final tally was

Simeon Joseph (PUP)--731

Francis Castillo (PUP)--722

Mrs. Ephelia Aranda (CDP)--412

Dr. Henry Anderson (UDP)--408

Casistro Caliz (UDP)--377

Luke Palacio (CDP)--344

59 per cent or 1,542 of the registered total of 2,596 Dangriga voters cast their ballots yesterday.

The two remains a town opposed to the People's United Party. 1541 votes were marked against the PUP, whereas a total of 1453 votes were cast for the blue and white candidates.

Dr. Theodore Aranda has been given control of the balance of power in the Dangriga Town Board as a result of this election.

Of the five Town Board members in Dangriga, two are UDP, two are now PUP, and one (Randolph Enriquez) is CDP. Even if the two Town Board members who

are in the United States return, Dr. Aranda can still decide if the PUP or the UDP will run Dangriga town, since one absentee councillor (Carolyn Jackson) is CDP while the other (A. B. Ogaldez) is UDP.

#### Analysis of Result

Belize City AMANDALA in English 2 Mar 84 p 1

[Text] DANGRIGA, Fri. Mar 2. The ruling People's United Party waltzed to victory in by elections Wednesday for two Town Board seats in this southern municipality as the fledgling Christian Democratic Party, in its first electoral competition since formation last year, and the established, constitutional opposition United Democratic Party hacked each other to pieces.

Even though the total of CDP and UDP votes surpassed the total of PUP votes (see statistics on page 3), establishing once again the fact that the mood in Dangriga, which returned UDP representatives to the House in 1974 and 1979, remains anti-government, Prime Minister George Price accomplished his obvious objective. He obtained a pregeneral election electoral victory to blunt the cutting edge of the UDP's overwhelming City Council victory last December.

While the mood in Dangriga is anti-PUP, the mood is as much, or more, one of Garinagu nationalism. Dr. Ted Aranda, who had been removed from leadership of the UDP under circumstances he felt were humiliating, appealed to his people as a wronged favourite son, and the proud, sensitive Garifuna people answered his call for solidarity with their ballots.

Mrs. Ephelia Aranda's 412 votes might be explained away by the fact that she was a formidable candidate in her own right, but Luke Palacio's 377 votes can only be interpreted as CDP and Dr. Aranda votes, for Luke was considered a weak and vulnerable candidate.

While Wednesday's election results constitute a setback for the UDP, they may be a blessing in disguise. Dr. Aranda has the power to stop the UDP from winning the Dangriga seat, but he would also then lose it himself. Dr. Aranda now has the power to decide whether the PUP or UDP rules the Dangriga Town Board. In other words, Dr. Aranda will have to make a move to the PUP or the UDP before the general elections. Either way, the UDP will be in a better position. As a matter of fact they are in a better position now for having discovered the favourite son strength of the good doctor in his constituency. Previous to Wednesday, the UDP were whistling in the dark.

This newspaper expected a PUP victory because of the UDP and the CDP splitting opposition votes. But neither we or anyone else in the rest of the country expected the CDP to fight the UDP to a standstill. It could only have happened in Dangriga.

### Aranda's Ethnic Appeal

Belize City AMANDALA in English 2 Mar 84 p 2

[Text] It was an election the UDP did not want to lose, but one the PUP had to win.

It was the first time in Dangriga history that a third party had entered the picture. It had always been PUP versus NIP, and, since 1974, PUP versus UDP. Now there was CDP, whose birth had taken place as follows.

As a result of party discontent, Dr. Ted Aranda, Dangriga Town area representative, who had been chosen leader of the UDP following the 1979 general elections, resigned the leadership AND the party in late 1982. He was in a huff.

Dr. Aranda soon formed his own party, the Christian Democratic Party, and won over the 1979 UDP Stann Creek Rural Candidate Solomon Lewis. Dr. Aranda and his CDP tore the UDP right down the middle as the results of Wednesday's Town Board by-election reveal: UDP candidates received a total of 785 votes and CDP candidates a total of 756 votes.

Two things are important to note here.

The first is that Dr. Aranda had always concentrated on his constituency and his people, the Garinagu, even during his years as leader of the UDP. In fact, this had been one of the complaints of disaffected elements within the opposition, that Dr. Aranda was not being a NATIONAL leader.

The second is that the Garinagu are a people who have survived generations of o-pressure because of their intense loyalty to each other. So that when Dr. Aranda began appealing to the Garinagu as a people, as a tribe, his seed fell on especially fertile ground.

When Dr. Aranda and the UDP parted ways, younger generation Garinagu were at a loss. They had supported the Aranda-led UDP with the fervour of youth. To make matters worse for the UDP, the two youngest members of the UDP Town Board--Randolph Enriquez and Carolyn Jackson, went CDP with Dr. Aranda and there was a deal of pushing and shoving between UDP and CDP where ownership of rostrum, office fixtures, etc. were concerned.

Dr. Aranda played the role of a Garifuna local leader being persecuted by a racist national UDP leadership.

The PUP had little to do but coast to victory while the UDP and CDP tore each other apart. The issues in the election were not PUP corruption, communism, victimization, etc. The issue was Garifuna nationalism. It was a lesson in ethnic politics.

In closing, it should be noted that the word was that the PUP had the most popular candidates, personality wise, while Mrs. Aranda is considered to be

substantially more popular than her husband, having taught for many years at the Dangriga Ecumenical High School.

#### More on Aranda's Role

Belize City THE BEACON in English 3 Mar 84 p 2

[Text] THE campaign for the Town Board by-elections held in Dangriga on Wednesday, saw a disturbing departure from traditional electoral protocol. For certainly since the time of self-government, there appeared to have been an unwritten rule of our political culture that the factor of race, or ethnicity, would never be overtly appealed to as part of any party platform or electioneering pitch.

In the case of Dr- Aranda and his Christian Democratic Party though, that rule has now been thrown out the window.

Especially in the last few days leading up to Wednesday's vote, Aranda introduced a nakedly racialist element into his campaign. The good Doctor quite untruthfully claimed to have been dismissed from the leadership of the UDP because he was a Garifuna; and he appealed to his fellow Garinagu to show ethnic solidarity with him against what he described as the UDP-creole conspiracy to discriminate against the Carib.

Unfortunately, Aranda's tactic met with a large degree of success.

The tragedy is not just that the CDP was able to split the Opposition vote in such a way as to allow the minority PUP to win. It is more that in raising the ugly spectre of race, and so completely without justification, Dr. Aranda created a social polarization in the Dangriga community that is as pointless as it is undesirable.

This newspaper has never subscribed to George Price's propaganda that in Belize all the races live as one, in complete harmony. But while there are tensions and inequities, there is no systematic or institutionalized discrimination against any of our ethnic groups. Dr. Aranda's claim was thus a most pernicious falsification, and the divisiveness it created totally unnecessary.

While the PUP might have won Wednesday's election them, it was not just the UDP or the CDP that lost. In a very real way, it was the spirit of inter-ethnic community in Dangriga (and perhaps beyond) that suffered most.

This Dr. Aranda thus has a lot to answer for.

CSO: 3298/620

## NEGATIVE IMPACT OF 'UNBRIDLED' INDUSTRIALIZATION NOTED

Belize City AMANDALA in English 2 Mar 84 p 4

[From the unsigned weekly column "From the Publisher"]

[Text] A TIME magazine article in 1970 on Caribbean black power movements quoted the UBAD leader as saying "tourism is whorism." I never said that, of course, but it made the somewhat irresponsible story more dramatic, I guess.

Whatever, it seems to me the new government of Belize won't have any choice but to give tourism very high priority. The economy being in the shambles it is, Belize will be needing quick infusions of foreign exchange, and tourism can play a vital role here.

One of the advantages of tourism to an environmentalist like myself is that it creates jobs and attracts foreign capital without destroying our God given assets, which is to say, our land, sea, rivers, and air.

Belize's experience with unbridled, unselective industrialization has been negative where our ecosystems are concerned. The sugar factory destroyed the New River; the citrus factories polluted the Stann Creek River; the fish life in the Belize River estuary has been rendered extinct by the factories which indiscriminately emptied hot, chemical pollutants into the Old River.

Belize City and other seacoast towns need some industrialization, that is sure, but government should have limited their development concessions to industries like textiles which do not visibly destroy our ecology. Belize needed a nail factory, for instance, like we need more dust on city streets.

CSO: 3298/621

## REVIEW OF AREA SECURITY SEES U.S. TAKING LEADING ROLE

Hamilton THE ROYAL GAZETTE in English 28 Feb 84 p 4

[Editorial]

[Excerpts] Talk has been going on for years about defence arrangements for the tiny, vulnerable Eastern Caribbean islands.

In Barbados, Prime Minister Tom Adams — who in 1979 sent Barbadian police to help St. Vincent put down its offshore revolt — told his ruling Labour Party that a regional standing army was a possibility. "It would give us an additional safeguard," he said, "namely the protection of small governments against their own armed forces." It would defend the area "against mercenary adventure, aggression domestic revolution or other violent episodes".

In February his colleague in St. Lucia, John Compton, said a regional force would be established next year under a single command and would be able to move into any island "which showed signs of invasion from internal subversion or external intruders".

On a flying visit to Grenada and Barbados soon after, US Secretary of State George Shultz said the US would support such a force. In any case the US had not been idle. Under a \$15 million programme approved by President Reagan after the Grenada invasion, five states — Barbados, Antigua, Dominica, St. Vincent and St. Lucia — have been given substantial military supplies, including sub-machine guns, rocket launchers, M16 rifles, vehicles, communications equipment, small arms and rations.

In addition US military advisors trained new paramilitary units in the island police forces. The idea was to "hold the beaches" until ex-

ternal help arrived, explained Dominica's Prime Minister Eugenia Charles. She reserved the right to call for help from any "friendly source". She said: "My business is to see that my people are safe and secure".

The military build-up has attracted sharp criticism from the Caribbean left-wing, still in disarray after Grenada. In Guyana the Working People's Alliance said that the real threat to peace came from manipulated elections and incipient dictatorships, while in Dominica the opposition Labour Party claimed that the new "sophisticated weaponry" included surface-to-surface missiles and that a US military base was being built. Miss Charles denied this, saying that it was just a firing range.

The idea of a regional defence force is being pushed strongly by the US. But its structure and organisation presents problems. Caribbean states have been historically reluctant to allow any substantial authority to pass to regional multilateral institutions. The conditions under which the force could intervene in a signatory state would have to be meticulously specified. There are widespread fears that some leaders would be tempted to use the force to help bottle up political opposition.

In Grenada itself one member of the interim administration, Dr. Patrick Emmanuel, says that elections would be held in late November. Eastern Caribbean leaders have already endorsed the administration's decision to keep Caribbean troops and US personnel in the island at least until then.

CSO: 3298/604

**GOVERNMENT PRESENTS 1984-85 BUDGET, RAPS PLP RESPONSE****Text of Gibbons Speech**

Hamilton THE ROYAL GAZETTE in English 25 Feb 84 pp 4-5

[Text]

**The following is the text of the budget speech delivered in the House of Assembly yesterday by Finance Minister, the Hon. David Gibbons.**

To His Honour The Speaker and members of the honourable House of Assembly,

Mr. Speaker:

This year marks the 375th anniversary of the landing on these islands of Sir George Somers, which led to the colonisation of Bermuda by Great Britain. Anniversaries traditionally are a time for celebrations. There will, I am sure, be plenty of these in Bermuda this year. Anniversaries are also, however, a time to take stock, to look at what has been achieved in the past, and to give thanks to our predecessors for their vision, foresight and hard work, and for the sacrifices they made in order that we should prosper today. I intend to do all these in my speech to you today.

But I also wish to look to the future. And mindful of the enormous material progress we have made in the past twenty years, I think that in this anniversary year, it would be entirely appropriate for us to make our own gesture to future generations; to ensure that some of the prosperity we enjoy today, because of the efforts of our forefathers, is handed down to our children and our children's children.

In this, my major financial review of the year, I am conscious of the significant improvements that have occurred since my last budget statement.

The remarkable pace of recovery in the United States is perhaps the single most important development. There can be no doubt that the vigorous expansion of the American economy is leading the world out of recession, and there are increasing signs that other countries are responding. At

home, 1983 saw a marked improvement in regular tourist arrivals after two years of decline. Inflation moderated during the year, and is now close to the rate prevailing in our main trading partners. Greater realism has become evident in wage negotiations and given only a modest improvement in productivity, there should be little upward pressure on inflation in 1984 from increased labour costs. The evidence suggests that economic growth continued in 1983 at about the 2 percent rate of recovery begun in 1982.

While there are, therefore, several grounds for optimism, we cannot be completely confident that there will be no further layoffs in the international company sector. And while I expect a further improvement in tourist business in 1984, Bermuda ranks amongst the most expensive of holiday resorts, and it is only by continuing to give the very best value for money that this improvement will be realised.

**Economic Review****International Developments**

Mr. Speaker, the most notable feature of the world economy in the past year has been the rapid expansion of the US economy, where real growth between the fourth quarters of 1982 and 1983 exceeded 6 percent. While this rate of growth will undoubtedly moderate in 1984, the US economy should continue to be the main engine of world recovery this year. Other countries are responding. In the UK and Germany, growth is expected to rise this year to about 3 percent; while in Japan it should reach 4 percent. Although the pace of recovery is generally slower elsewhere, the OECD countries as a group, led by North America, should achieve growth of the order of 3 to 3½ percent this year. This is good news for the hard-pressed debtor countries of the less-developed world, where a recovery in exports is needed to ease the burden of accumulated debt.

Equally encouraging, this growth is being achieved without any resurgence of inflation. In the United States, consumer prices increased in the twelve months of December by 3.8 percent; and in the OECD as a whole, price increases are currently averaging no more than 5 percent at an annual rate. With productivity improving as the economic recovery proceeds, unit labour costs in most countries are rising very slowly, and there are few signs in the US or elsewhere that pay settlements are on the increase. After a flurry in 1983, commodity prices have stabilised in recent months. Oil prices too continue to look vulnerable, and the OPEC cartel will have a difficult task to prevent them slipping further in the coming months. Last, but not least, growth in the monetary aggregates in the developed economies has eased in recent months as central banks continue in the main to steer a prudent course.

All this augurs well for further reductions in interest rates. The one cloud on the horizon — and it looms large — is the size of the US budget deficit; \$195 billion in fiscal 1983 and showing no signs of falling. The highly expansionary fiscal policy that the US administration is maintaining sits uneasily with the anti-inflation policy of the Federal Reserve. As a result, interest rates, particularly in real terms, have remained high, threatening the continuation of recovery beyond 1984. Rates elsewhere, however, have eased in recent months, and the cheaper cost of borrowing combined with the sharp improvement in the financial position of the company sector should lead to a recovery in investment. In the US, pre-tax profits rose by nearly 20 percent in 1983; in the UK the increase was nearer 25 percent and in Canada it was 50 percent. The improvement should continue in 1984, providing a further, much-needed boost to investment.

#### Economic Developments and Prospects in Bermuda

On the domestic front, the latest figures available suggest that real GDP grew by a little over 2 percent in 1982/83. Although no detailed figures are available for 1983/84, the evidence suggests that the recovery continued last year at a broadly similar pace.(1) It seems clear, however, that unlike the previous year, growth in 1983 was more balanced, with domestic and foreign demand contributing in roughly equal measure to the growth in output. A continuation of the recovery into 1984/85 would make Bermuda for the first time "a billion-dollar economy", with GDP at current prices exceeding \$1,000 million.

#### Tourism

Mr. Speaker, in 1983, regular arrivals rose by 30,237 to 446,864, a rise of over 7 percent following two years of decline. The total, however, remains some 9 percent below the figure of 491,640 achieved in our peak year of 1980, and there is undoubtedly scope for a further improvement in 1984. Hotel occupancy rates rose in 1983 to 63.9 percent, from 58.8 percent in 1982, and after my critical remarks on this occasion last year, I welcome the evidence that the hotels have responded by moderating increases in rates in 1983 and again

in 1984 to reflect both lower costs and increased competition from other resorts.

The position regarding our cruise ship business, however, gives less cause for cheer. After a slow start, the number of visiting passengers picked up in the second half of 1983, and for the year as a whole the total of 120,846 was only 2½ percent down on the previous year. We shall, however, lose in 1984 our long association with the Holland America Line. Although we shall welcome back the Veendam under a new ownership and a new name, there is as yet no replacement for the Volendam, which brought to Bermuda over 14,000 passengers in 1983. We must expect, therefore, some reduction in 1984 in the volume of tourist expenditure from our cruise ship business. Cruise passengers, however, typically spend only a fraction of the expenditure of regular visitors, and if everyone concerned works to ensure that our regular business continues to recover in 1984, I see no reason why the coming season should not continue the improvement of last year.

#### International Business

International business remains, after tourism, our second most important industry in Bermuda. While I cannot pretend that all is well in that particular sector, I do believe that many are guilty of overstating the difficulties we face. The main problem areas in 1983 were insurance and shipping, accounting for six out of the seven compulsory insolvencies last year. Much attention has been focussed on the insurance sector, but out of almost 1,200 companies on the register, only three went into compulsory liquidation, several more stopped writing new business, and one decided — for its own reasons — to move the bulk of its business away from Bermuda. I would of course be remiss not to be concerned by these events, and indeed I do not think that the period of retrenchment has yet come to an end. But the problems of the insurance and shipping industries in the past

few years have been world-wide, and we in Bermuda cannot expect to be immune. On a more optimistic note, 91 new insurance companies registered last year. I take encouragement too from the fact that the world recession is now past, and our international business community should benefit from the resumption of growth in the major developed economies. In aggregate, the number of exempted undertakings on the register (excluding those in the process of liquidation) rose from 5,607 at the end of 1982 to 5,828 at end 1983, an increase of four percent. There was, however, a sharp fall in the volume of international companies' expenditure in 1982/83, and although the evidence suggests some recovery last year, I think it prudent not to expect much further improvement in this sector in 1984/85.

Mr. Speaker, I dwelt at some length last year on the subject of international taxation, drawing attention to the trend in the US and the UK towards heavier foreign taxation of offshore operations. I have little to add this year, except to repeat that as the tax advantages of offshore business are reduced by developments beyond our control, we have to strive harder to create conditions which will continue to prove attractive to the international business community.

### Domestic Demand and GDP

While external demand probably grew in 1983/84 at about 2 percent compared with 1½ percent in the previous year, the evidence suggests that the domestic economy was less buoyant last year, following the estimated 3½ percent growth in 1982/83. Even so growth is likely have approached 1¾ percent in real terms.

In the nine months to December 1983, the value of retail sales grew by some six percent, suggesting only a modest increase in real terms compared with the same period in the previous year. Food sales rose by less than two percent, suggesting some decrease in real terms, but expenditure on motor vehicles boomed, recording an increase of more than 10 percent in volume terms. Sales of new cars totalled more than 2600 in 1983, a record number. Of these, 1,500 were replacements, and we can therefore conclude that there was a net increase of more than 1,100, or about 7½ percent, in the number of vehicles on our roads last year.

After an increase of almost 30 percent in volume terms in 1982/83, gross fixed capital formation continued at a high pace last year. While there has probably been some downturn in commercial construction, the hotel sector has embarked on a substantial investment programme, and residential construction remains buoyant. In the public sector, capital spending has increased substantially this year, and is set to increase further in 1984/85.

Mr. Speaker, I am pleased to report that 448 housing units were completed last year, following 412 in 1982. Government is spearheading much of this activity. The Housing Corporation completed 83 units last year and, including the Rockaway

project, is planning to complete a further 172 units in 1984. Many of these are in the two- to three-bedroom category most in demand.

By the end of this year, it is probable that over 1,200 units will have been added to the housing stock in just three years, contributing to a much better balance between supply and demand in the housing market.

There is already evidence to suggest that rents in the uncontrolled sector have levelled off in the past year. I now believe that a gradual release of properties from rent control, to be completed over a five-year period, can be initiated this year without leading to any significant upward pressure on rents. Accordingly, I intend shortly to introduce legislation into the House which will successively reduce the ARB limit above which properties are not subject to rent control. In the first year 20 percent of the properties currently affected will cease to be under control. A further 20 percent will be released from control in 1985, and so on until rent control is completely abolished. The existence of controls undoubtedly helped to protect tenants during a period of rapidly rising rents. Controls, however, inevitably create distortions, and I am now satisfied that the progress we have made in recent years in dealing with the housing shortage can now permit a gradual relaxation of our previous policy without causing undue hardship to tenants.

In the provision of mortgage finance, too, the Government has made good progress in the past year. Since January 1983 when Government announced the availability of \$20 million for mortgage purposes, the Housing Corporation has allocated \$13.3 million to 124 applicants for the construction or improvement of 250 residential units. These figures are encouraging, and indicate that Government is assisting in the creation of additional units at a comparatively low cost. Because of shortages of labour and other resources, however, progress in releasing mortgage funds and completing new residential units has been slow, and the continuing high level of capital spending outside the residential sector probably means that this will remain a problem for some time to come.

In the private sector, the deposit companies experienced an encouraging growth in deposits last year. As a result, they were able to increase the value of mortgages outstanding by \$11½ million in the year ending September 1983, and at the same time to substantially improve their liquidity. The stubborn refusal of US interest rates to fall has, however, kept all rates in Bermuda at or near the statutory limits, and the deposit companies' ability to attract new long-term funds has, accordingly, suffered. I have given consideration to a proposal which would permit deposit companies only to offer yields above seven percent on long-term deposits — those for a fixed term of not less than three years — and to advance money on fixed-term, fully-amortised mortgages carrying an annual interest rate of 10 percent. The proposal has, with one or two exceptions, received broad support

from the financial community, and I myself see some merit in it. The precise details of the scheme require further consideration and I wish in any case to avoid introducing such a measure now if there is the slightest prospect of an imminent decline in overseas interest rates. I intend, therefore, to monitor developments closely before reaching a final decision.

## Financial developments and balance of payments

The improvement in the external sector last year combined with a moderation in the growth of domestic demand implies a healthier balance of payments position than in 1982. While no detailed figures are available for 1983, the improvement is reflected in the net foreign currency assets of the banks. These increased by \$46 million in the year to September 1983, compared with a rise of only \$5 million in the previous twelve months. As a result, Bermuda's money supply increased substantially last year, with Bd\$ bank deposits growing by 18½ percent. Net new borrowing, at \$36½ million, was little changed from the previous year.

### Inflation

Inflation fell last year slowly but steadily, and by December 1983 the annual rate of increase in retail prices was down-to little over five percent, close to the rate prevailing in our main trading partners. An encouraging feature of the decline during 1983 is that it appears to have stemmed mainly from a deceleration in the locally-generated component of inflation. While the annual rate of increase in the price of goods included in the index fell from 4.8 percent in December 1982 to 3.2 percent a year later, the reduction in the services component, which has a much larger domestic content, was from 10.3 percent to 7.3 percent.

The prospects for inflation this year are good. Export prices from the US, which supplies nearly 60 percent of our imports, are rising only moderately. Oil prices too are stable, after declining in the early part of 1983, and should, if anything, fall further in the coming months. Unless there is a precipitate decline in the value of the dollar, I cannot see any upward pressure on inflation from import costs in 1984. I am encouraged, too, by the greater realism that has been shown in wage negotiations in the past year. In our own negotiations with white-collar Government employees, the eventual settlement of a 7½ percent increase in 1983, followed by 6½ percent in 1984 in retrospect looks to be a fair one. The 1983 increase was about 2 percent above the going rate of inflation, and our economic performance last year probably justified such an increase in real earnings. It is my belief too that we can continue to contain inflation this year, so that the 6½ percent award for 1984 will also contain a significant element of real increase. As other countries have demonstrated, successive

reductions in the level of pay settlements are the key to reducing inflation and can be quite consistent with an increasing level of real incomes.

Mr. Speaker, before I turn to the fiscal review, I would ask Honourable Members to forget for a moment our immediate concerns, and to look beyond the one-year horizon in which budgets are typically set. I mentioned in my opening remarks that I considered this our anniversary year to be an appropriate occasion for us to look forward to the well-being of future generations. We should not forget that the prosperity we in Bermuda currently enjoy is of comparatively recent vintage; and that it is based somewhat narrowly on the twin pillars of tourism and international business. In retrospect, we can, I think, congratulate ourselves that we have achieved more in a comparatively short space of time than anyone would have believed possible. We have, however, seen a sharp decline in tourism in one year in the recent past, and our ability to continue to attract and keep international companies is subject to developments, in international taxation for example, beyond our control.

During my own tenure as Minister of Finance, economic growth has averaged two percent a year, and the task of balancing the budget has been that much easier as a result. The sound state of our finances however also owes much to the efforts of my predecessors over the last 45 years, all of whom are with us today. Their skilful and prudent handling of our finances as the economy developed contributed greatly to the stability and prosperity we now enjoy, and I am pleased to acknowledge Bermuda's debt to them.

They are, in chronological order:

The Hon. Sir John Cox, 1938 to 1943;  
The Hon. Sir Henry Vesey, 1943 to 1944;  
The Hon. J.E.P. Vesey, 1945 to 1959;  
Sir Gilbert Cooper, 1959 to 1968;  
The Hon. Sir John Sharpe, 1968 to 1975.

Mr. Speaker, it is interesting to note that the budget of 1939 called for expenditure of just £433,000, or about \$2 million at the then rate of exchange. Even allowing for inflation in the intervening period, this represents only about \$15 million in today's prices, less than that of the expenditure estimate for 1984/85.

The sound state of our public finances can be judged from the fact that, at the end of the last financial year, the surplus in the Consolidated Fund stood at over \$20 million. And although a number of unexpected capital acquisitions in the current financial year will have reduced the surplus to about \$13 million, this nevertheless represents a very healthy position.

Mr. Speaker, I feel strongly that this surplus should not be expended, and am conscious of the extent to which the majority of Bermudians have enjoyed indulging themselves in the acquisition of material things during the past decade. I propose, therefore, that the bulk of these funds should be set aside to establish a Heritage Fund for future generations.

I have therefore instructed the Accountant General to purchase over the coming weeks \$200 million face value of United States Treasury stripped zero bonds maturing in 2012, some 28 years hence, at a cost today of approximately \$8 million.

This means in effect that the next generation, in celebration of the 400th anniversary of the permanent settling of Bermuda in 1612, will inherit the sum of \$200 million. This Government has been given the responsibility of directing the affairs of this country for a full generation, and I am absolutely confident that it will continue to do so and can decide how best to use this inheritance. I make no recommendations on that score, but I am satisfied that it will do so wisely. Those of us of the present generation who have grown up in Bermuda in the past twenty years are fortunate in having witnessed an extraordinary transformation in our economic fortunes. In setting up the Heritage Fund, I intend to ensure that a part at least of the wealth we and those before us have created is held in trust for future generations.

## Fiscal Review

Before turning to the estimates for 1984/85, I should like to comment briefly on the forecast for the current year.

Honourable Members will recall that the estimated budget for the current year was balanced with both revenue and expenditure projected at some \$165.5 million. That projection was based on a revised estimate for 1982/83 which showed a deficit of some \$5.3 million. In fact, the outturn for 1982/83 was much more favourable and the final accounts for that year showed a surplus of some \$4.1 million. A major reason for that surplus was a failure to spend capital monies at the rate then anticipated.

This shortfall on capital account followed a similar experience in 1981/82. As a result, when the current year commenced, there was a significant backlog of works on capital account for which money had been appropriated in prior years. Some of that backlog should be made up during 1983/84 and the revised estimate shows a significant increase in capital spending to \$26.2 million, resulting in an excess of expenditure over revenue for the current year. A recent review of current year spending does however suggest that the \$14 million deficit shown in the revised estimate is well overstated and I would be very surprised if the figure was much more than \$8 million.

The major variations on current account from the figures presented in the original budget are the cost of pay increases negotiated in the current year (offset by savings on vacant posts), some \$3.8 million; the approved supplementary spending by the Department of Tourism, \$0.4 million; a shortfall in the revised forecast for the income to the Public Transportation Board of some \$1 million plus a contribution to the operating expenses of the West End Development Corporation of \$0.7

million. These increases will be offset by \$3.4 million of additional revenue primarily from an increase of \$1 million in the estimate for Customs duties, an additional \$1.2 million from interest earned on cash deposits and \$1 million from settlement of claims with overseas postal authorities.

In summary, therefore, I expect the current account surplus for 1983/84 to be some \$12.2 million or about \$2 million less than anticipated when the original estimates were drawn up; and the capital spending to reach no more than \$20 million against the \$26.2 million shown in the revised estimates. The resulting Consolidated Fund surplus available to be carried forward at the end of the current year, would therefore be some \$13 million.

## Expenditure estimates

Expenditure on current account programmes is shown at \$169.3 million for 1984/85 which represents an increase of 12 percent over the original estimate for the current year. This is some \$17.2 million less than the revenue estimates given below and I am requesting that the House appropriate the whole of this current account surplus to capital thus leaving the budget once again balanced. Both revenue and expenditure for 1984/85 will therefore equate to some \$3,340 per head of population.

Within the current account major spending departments are:

Ministry of Health & Social Services which received \$37.1 million, some 22% of the Current Account Budget or \$666 for each member of the population,

Ministry of Education, \$30.6 million, some 18 percent or \$549 per head,

Ministry of Finance, \$27.6 million, 16 percent or \$495 per head,

Ministry of Works, Housing, Agriculture and Fisheries, \$22.4 million, 13 percent or \$401 per head,

Ministry of Tourism, \$13.4 million, eight percent or \$240 per head.

In considering the resources available to develop services on current account, the pace of that development must reflect the level of spending on capital works. In view of the significant increases in capital spending which are projected for the next few years, it has been necessary to curtail the growth of current account programmes, particularly the growth in Government's labour force. The number of people directly employed by Government will therefore grow by less than 0.5 percent in the coming year.

For 1984/85 increased funding is provided to ensure that existing physical assets are well maintained. There is therefore additional monies for maintenance of buildings, particularly schools, and within the Department of Agriculture and Fisheries' estimates, there is additional funding for the maintenance of school grounds.

Concerns have been expressed about the necessity of preserving Bermuda's environment, and increases have therefore been made available to improve the cleanliness of our highways, parks and beaches. The Marine and Ports Department will also take further steps to remove derelict and abandoned craft.

Within the Ministry of Tourism increased spending will provide for the ever increasing costs of advertising and promotion.

Further development of computer facilities within schools is envisaged for 1984/85, and some \$250,000 is provided on capital account for this purpose. The importance of further education cannot be over-emphasised in an increasingly technological age. The estimates therefore provide for increases in Government awards to students training overseas. Within the schools' budget, a declining school roll will effectively mean a continued increase in the resources available per student.

The West End Development Corporation is determining major proposals for that area, and in addition to supporting the Corporation's capital development works, some \$500,000 is included in the estimates for ongoing operational costs, including repair and maintenance of facilities at the West End.

Within the Ministry of Health & Social Services there are substantial increases in the amounts set aside for grants and contributions for medical care overseas, the social assistance programme and the misuse of drugs advisory boards.

The proposed subsidy for the Public Transportation Board is substantially restated following successive years in which very substantial supplementary estimates have been required. I trust that the subsidy for next year, which is budgeted to compensate for the loss of revenue to the Board from reducing fares to the elderly, the handicapped and school children, forms a basis from which the Board will be able to operate without the need for any supplementary funds during 1984/85 and without the need for unreasonable increases in fares.

As I am sure everyone is aware, Bermuda celebrates its 375th Anniversary during 1984 and some \$50,000 is included in the 1983/84 revised estimate, and \$50,000 in the 1984/85 estimates for the Community Services Department which is co-ordinating celebrations throughout the Island.

Commencing in 1984/85, Youth and Sport will have a further \$100,000 available to assist sporting clubs and other organisations by way of grant or loan, both in improving facilities and in staging or participating in competition.

Mr. Speaker, turning now to the Capital Estimates, the total sum to be appropriated in 1984/85 will be \$17.2 million which compares with \$14.3 million appropriated in the current year.

I would like to emphasise, Mr. Speaker, that the figures which appear in the printed estimates for 1984/85 represent appropriations; that is, approval by this House of additional spending authority. To the extent that appropriations approved in earlier

years have not been spent by March 31, 1984, those appropriations will be available in the coming financial year, in addition to the sums which we are now considering. This distinction is particularly important in looking at next year because the catching up process, which I mentioned earlier as likely to take place in the current year, is certain to continue through 1984/85. I fully expect therefore that actual capital spending during 1984/85 will exceed the appropriations made in respect of 1984/85. This expenditure will be funded from the available Consolidated Fund balance which has been built up by Government's financial prudence; it will necessarily result in a significant running down of that balance.

The Capital Estimates are as usual divided into two elements. The Capital Development Budget, which covers works of construction and civil engineering together with land acquisition, totals \$14.1 million, whilst the Capital Acquisitions estimates, which provide for the purchase of equipment, vehicles and other larger items of fixed plant will total \$3.1 million.

In examining the Capital Development estimates it is important that we remember that the expenditure plans of the Bermuda Housing Corporation are not reflected here. During 1984/85 the capital spending of the Corporation will be funded by a range of borrowing, all backed by guarantees from Government. That expenditure may well be of the order of \$30 million.

Clearly, in order not to jeopardise the works to be undertaken by the Housing Corporation — which remain Government's first priority — and in order not to place an unrealistic burden on the local construction industry, Government must phase its own capital development plans over a longer period than it might otherwise wish.

The number of new projects coming forward for 1984/85 and the progress on such projects as the National Stadium reflect these constraints. The major projects added to the programme are:

- Phase 2 of the Police Barracks,
- Phase 2 of St. Brendan's Hospital,
- A further \$1.5 million for the West End Development Corporation,
- The first year of a phased programme for lighting private roads,
- A continuation of works to public buildings to provide access for the disabled,
- An extension of the Government Administration Building,
- Redevelopment of the Aquarium.

In addition, the revised estimates for the current year include items identified in this year's supplementary estimates, such as, for example, the \$3,050,000 for purchase of shares of Family Estates Limited, works to the Victor Scott playing field, the grant to Summerhaven Trust, sheltered housing for women, accommodation for the drug rehabilitation centre, and purchase of Outerlea.

I also envisage major expenditure during 1984/85 on schemes introduced into the programme over the last two years, i.e. St. Brendan's Phase I, the Women's Prison, and St. George's Development

which are due to be completed during the year, and on the redevelopment of the National Sports Stadium.

On Capital Acquisitions Account, I have already mentioned the education computer facility, in addition to which Government's determination to control the size of the civil service through the computerisation of its own administrative systems is emphasised by the inclusion of some \$400,000 for distributed hardware and terminals. There is also \$445,000 for furnishing and equipping Phase I of the redevelopment of St. Brendan's Hospital, and \$400,000 for the continued replacement of buses by the Public Transportation Board. The unspent appropriations for replacement ferries will be fully utilised during 1984/85.

## Revenue projections

The projections of revenue for 1984/85 are based on a number of assumptions.

(1) Regular tourist arrivals are assumed to grow by 7 percent in 1984/85. Cruise passenger arrivals, in contrast, are expected to fall from about 120,000 in the current year to about 100,000 in 1984/85.

(2) Although the number of international companies on the register increased last year by four percent, it has been assumed that there will be only a modest growth in the volume of expenditure in this sector in 1984/85. There was a sharp decline in this component of demand in 1982/83, and there is little evidence yet of renewed expansion.

(3) Domestically, real incomes should rise slightly in the absence of any upturn in inflation. Gross fixed investment seems set to continue at the high levels established in 1982 and 1983.

On the basis of these assumptions, I would expect real GDP to grow in 1984/85 by about two percent, similar to the rate achieved last year. With tax and fee rates unchanged, I would estimate this order of growth to generate total revenue of about \$181.5 million. This includes the additional revenue stemming from an increase in the assumed level of annual remuneration per employee on which exempted companies are charged Hospital Levy. As foreshadowed in my budget statement last year, this amount is now indexed each year in April in line with the change in the retail price index in the year to the previous December. The new figure, effective from April of this year, will be \$31,520. This increase will not affect payments made in April in respect of the January-March period, when the assumed level of annual remuneration is, as previously announced, \$30,000.

The first payments to reflect the increase to \$31,520 will be due in July in respect of the April-June quarter.

The Minister of Transport will shortly be announcing increases in vehicle licence fees of about 10 percent, which will bring in an additional \$550,000, but with the yield from some fees and taxes stagnant or in decline, a number of other increases are necessary in order to balance the budget.

In proposing these changes, I have deliberately sought to avoid increasing fees or taxes which directly affect the cost of visiting or doing business in Bermuda. At this comparatively early stage in our economic recovery, I have no wish to blunt Bermuda's competitiveness either as a tourist resort or as an international financial centre. Instead, I propose to raise the additional revenue necessary by increasing customs duties, in particular on fuel products, thereby ensuring that the burden is spread as widely as possible throughout the community. I will, accordingly, today lay before the House a Bill providing for the following increases in import duty:

On cigarettes, \$2.50/kg;  
On gasoline, 5c/litre;  
On diesel fuel, other than supplied to Belco, 5c a

litre;

On fuel oil, other than supplied to Belco, 5c a litre;

On diesel fuel, supplied to Belco, 1.8c a litre;

On fuel oil, supplied to Belco, 1.8c a litre.

These increases will take effect immediately.

The increase in duty on cigarettes is equivalent to about 5c a packet. The change should yield about \$290,000 in the coming fiscal year.

The other increases all fall on petroleum products. The world oil market has remained weak throughout the past year, and oil prices in both nominal and real terms have declined. Indeed many observers expect further downward pressure on prices to emerge during the coming months, and OPEC members, many of whom are now in financial difficulties, will have to stick rigidly to their production quotas if prices are to hold. Looking to the longer-term, however, I believe it to be entirely appropriate that I should maintain or indeed increase the real price of energy in the face of declining costs on the world market. We in Bermuda have no energy resources of our own, and are totally dependent on imported fuel. The increases in duty I am proposing are designed to reinforce efforts to conserve energy and encourage a more responsible attitude to its use.

The price of gasoline has fallen in real terms by about three percent over the past twelve months. The increase of 5c a litre is more than is necessary to compensate for this, but I hope that it will encourage us all to adopt a more responsible attitude towards personal transport. Bermuda has excellent public transport facilities, and I would hope that this measure will lead to greater consideration of the bus and ferry services available. The increase is expected to yield an additional \$1.6 million in 1984/85.

At the same time, I propose to increase the duty on diesel fuel, other than that supplied to Belco, by the same amount, yielding \$475,000 in a full year. I note, however, that the duty on diesel remains well below the duty on gasoline, and I recommend that in future budgets steps should be taken to rectify, at least in part, this anomaly.

The increase in duty on fuel oil, other than that supplied to BELCO, will yield \$520,000.

The duty on fuel purchased by Belco has remained unchanged in the past three years, in order to contain the cost of electricity and assist our counter-inflation strategy. In the past twelve months, however, the average cost of electricity to the residential user has declined by over two percent, and even after my proposed increase of 1.8c a litre, the average consumer will, in real terms, pay less for his electricity this year than in 1983, assuming there are no unexpected increases in crude oil prices. I have, in any case, become convinced that the current arrangement whereby Belco pays duty at the top rate of 33 percent on generating equipment, while paying a concessionary rate on fuel, is not in the best interests either of cash flow management or of energy efficiency. The duty on equipment is recovered via the basic charge for electricity and, given the structure of Belco's tariff, the cost falls most heavily on customers who consume relatively small amounts of electricity. I propose, therefore, to abolish the duty on generating equipment while at the same time increasing the duty on Belco's fuel imports. That way, the flow of duty payments will be smoother, benefiting both the Company and the Exchequer.

In addition, the basic charge for electricity should fall while the higher duty payments on fuel will be reflected in the fuel adjustment charge. The reduction in Belco's capital costs and borrowing should reduce their interest expense, benefiting all their customers; while the redistribution of the cost of electricity from low to high consumers should encourage energy conservation.

In increasing the duty on Belco's fuel imports, there is one further consideration I have borne in mind. Government has agreed to assume responsibility for the street lighting of private estate roads, and installation is due to begin this year. In the absence of any equitable method of charging estate residents, Government has also agreed to bear the recurrent charges associated with private street lighting. It is intended that increases in duty on Belco's fuel imports will cover these costs in

1984 and in subsequent years.

In total, the increase is expected to yield \$2 million in 1984/85.

In addition to these revenue-raising measures, I have taken the opportunity to include a number of other amendments to the Customs Tariff Act. Most of these are minor, with negligible revenue implications. I propose, for example, to exempt from duty life-saving resuscitators, and emergency response units used by the handicapped and the elderly; and the concessionary rate of duty that currently applies to T-shirts and gym shorts imported for the local business of screen printing will be extended to other items of clothing. I propose also to remove the duty on imports of milk, allowing imported milk to augment local production when supply falls short of demand. In order to protect the local dairy industry, however, it is intended that the Minister of Works, Housing, Agriculture, and Fisheries should be empowered to embargo imports of milk whenever it appears that there is an adequate local supply available.

Mr. Speaker, one further change I am consider-

ing is a reduction in the effective rate of duty on boats which, other than for racing yachts which already attract a lower rate, stands at 33 percent. This high rate of duty might well have been appropriate in earlier years when the number of boats in Bermuda was much less than it is now, and there was little doubt that they were luxury items. In recent years, however, the number of boat owners has multiplied, and I have some sympathy for the argument that the sea is such an integral part of our environment that we should encourage as many people as possible to use it. There is the added incentive that, by increasing traffic on the water, we are reducing congestion on our roads. I will, therefore, be giving close consideration to a reduction in duty on boats in the near future.

I have also completed this year a review of the duty-free allowance for returning residents. The present allowance of \$100 has remained effectively unchanged for over twenty years, and I recognise that there are many in the community who would welcome a higher figure. Against this, however, I have had to weigh the loss of business to Bermuda resulting from an increase in the allowance, and the loss of revenue to Government.

Nevertheless, I do feel that the balance of argument now supports a higher figure, and I accordingly propose that the allowance be increased to \$250 with effect from April 1, 1984. This does not fully restore the real value of the allowance to its original level, but does nevertheless represent a substantial increase. The revenue implications are impossible to quantify, but the increase is likely to cost Government at least \$400,000 annually in lost revenue.

With these changes, total revenue for 1984/85 is estimated at \$186.5 million, an increase of 12 percent over the original estimate for 1983/84. Customs duty is the largest single source of receipts, accounting for \$79.6 million, or 43 percent of the total. Revenue collected by the Tax Commissioner, principally from Hospital Levy, Employment Tax and Hotel Occupancy Tax, will produce \$44 million. Receipts accruing to the Accountant General, including land tax, stamp duties and passenger tax, will amount to \$24.2 million; while the Registrar of Companies will collect \$12.5 million, mainly from international and local company taxes and insurance fees.

Mr. Speaker, I began today by referring to the improved economic climate both at home and abroad since my last budget. Outside North America, however, the economic recovery remains subdued, and in the United States itself there are fears that the vigorous expansion of 1983 might not continue much beyond this year. While I believe, nevertheless, that we in Bermuda can look forward with some optimism to the coming year, let me sound a note of caution. The past three years have been difficult, in marked contrast to the five years of rapid growth in the period 1975-1980. Although the prospects this year look better, we can no longer assume that economic success is assured. It behoves us all to redouble our efforts to ensure that, in a highly competitive world, Bermuda continues to pay its way.

## PLP Reply

Hamilton THE ROYAL GAZETTE in English 3 Mar 84 p 5

[Text]

The following is the Opposition Progressive Labour Party's reply to the Budget statement. It was delivered in the House of Assembly, yesterday by Mr. Eugene Cox, Shadow Minister of Finance.

### The Mythical Budget

MR. SPEAKER,

Orwell states that 1984 is the year when Big Brother is watching you. Mr. Speaker the Hon. Finance Minister through his 1984 Budget Proposals confirms our belief that the United Bermuda Party Government is neither interested in watching or looking out for the best ways to utilise our limited resources nor is it inclined to formulate definitive plans on how best to integrate private spending with public spending.

### Heritage Investment

MR. SPEAKER, The Hon. Finance Minister's proposal for a Heritage Investment suggests a type of Last Will and Testament type of bequest designed either to write his name in the annals of history, whatever the cost, or to show that he is insensitive to the needs of his present day fellow citizens or to demonstrate that he is insensitive to caution and loves to have a "flutter on the market" with the people's finances.

Mr. Speaker, the National Trust's spokesman said it right when he publicly criticised the Hon. Minister of Finance and called on him to deal with reality and invest the people's money in the purchase of open spaces and I assume he also included arable land. Mr. Speaker, let us consider the desperate needs of the physically abused group who through no fault of their own will shortly have no place to reside. Mr. Speaker, I believe a mere \$150,000 would secure for them a permanent home from which to continue their good and necessary work in this community.

Mr. Speaker, let us look at the economics of buying United States Treasury Stripped Zero Bonds (or any other long, long term financial instrument). We are told the Present-Value cost is some \$8 million and the redemption date is the year 2012, some 28 years away. The yield at that time is to be some \$200 million. Mr. Speaker, at \$3.50 per \$100 this is no doubt a bargain price and since the Hon. Minister is suggesting that these bonds be held until maturity no doubt the yield will be fixed. But Mr. Speaker, land cost about \$69,000 per acre fifteen years ago, today, judging by recent sales that were brought to this House for consummation, land costs anywhere from \$150,000 to \$200,000 per acre. In other words, the cost for the same one (1) acre has doubled in fifteen (15) years. Mr. Speaker, are the elected people's representatives here for a game of chance? Mr. Speaker, I believe the Hon. Finance Minister could be considered serious if he had brought a proposal here to buy shares in our main industry — Tourism. That in my view would have been a proposal worthy of this House's attention. There are many other programmes that the Minister could have suggested for utilising any surplus of funds, e.g. extensive scholarships to ready our young people for the "high Tech" era which is just beginning to open up in Bermuda.

Mr. Speaker, our Party is strongly opposed to this investment and will be voting against the legislation which will be necessary to bring this proposal into effect.

### Customs Duty for Milk and Boats

MR. SPEAKER, the Hon. Finance Minister proposes to reduce the duty on the importation of boats and milk. Yet a representative of the dairy farmers and the Director of Agriculture were quick to point out that this is purely academic — as no milk was currently being imported. The head of one of our privately owned dairies said that she too felt the proposal would have little effect on the local dairy industry as you can't import milk anyway; it's against public health regulations.

Mr. Speaker, I submit that the removal of duty from the importation of boats is also pointless. If it is designed to be a concession to entice Bermudians to the United Bermuda Party he should realise that many already own a boat or boats. It is more than probable that the removal of duty for boats is for those foreign owners who wish to store their boats in Bermuda throughout the year, and Mr. Speaker let me hasten to add that this must not be construed to mean that we are against this measure as a source of revenue, but if it is for that purpose, then let the Minister say so clearly.

Mr. Speaker, it is also most significant that the number one priority of development for the West End Development Corporation is that of a marina in Dockyard.

## Balance Budget

MR. SPEAKER, when politicians promise a "balanced budget" that is "good politics", for it makes a government seem to be controlling its spending. But, can there really be a budget-balancing policy rigidly followed without regard to an overall development plan, integrating the economic movement in the private sector with that of the public sector?

Mr. Speaker, the Finance Minister's claim of a balanced budget has to be seen for what it really is, a bag of cosmetics. The Minister's claim must raise some serious questions when one examines the factors and realises that the figures that he uses in his fiscal review are unsubstantiated. The Hon. Minister refers to an unrecorded review which whittles away a \$14 million deficit as being overstated and substitutes in its place what appears to be a guesstimate, a mere \$8 million.

Mr. Speaker, the Minister then concludes what can only be described as a rather loose analysis by stating that he expects the current account surplus for 1983/84 to be \$12.2 million. Mr. Speaker, I query why he is unable to predict, in economic terms, that it will be so?

Mr. Speaker, is it this Government's policy that essential Capital Projects such as St. Brendan's Hospital Extension, and accelerated home building, should be deferred in order to claim a balanced budget? Is there no other way to make this Government truly govern in the people's interest than by sit-downs or sit-ins as demonstrated by the concerned and dedicated workers of St. Brendan's?

Mr. Speaker, the Pitt Commission advised the United Bermuda Party Government many years ago that immigration policy could be used as an Economic Regulation — the Government through its Immigration Department would be able to control the manpower requirements and thereby regulate the growth of business development.

Mr. Speaker, since I delivered my first Budget Reply one year ago, the economic storm clouds that loomed darkly over our two main industries have begun to descend. On that occasion I warned against the economic difficulties we were experiencing in employment. Most Bermudians were then carrying one, two and sometimes three jobs to make ends meet, and to lose any one or more would in some cases not only exert considerable hardship but spell economic ruin for them and their families.

Mr. Speaker, since that day, there have been redundancies in a number of international companies doing business in Bermuda. To name a few, Walton Insurance Ltd, Continental Re-Insurance Limited, A.C.C. Insurance Services, Inesco Ltd and Ajax Insurance Company Ltd. These redundancies have affected a total of some fifty-six (56) employees working in Bermuda and specifically affecting some twenty-eight (28) Bermudians.

The Hotel Industry had one total failure in the government sponsored time-sharing accommodation causing some forty (40) employees to lose their jobs of which some thirty-five (35) were Bermudian.

Mr. Speaker, sad to say the closure of the Coral Island Hotel and Government's insensitive behaviour to the shareholders have resulted in this country incurring some of the most unfavourable press that I have witnessed. This has necessitated the Government expenditure of considerable sums of money to undo the very type of situation that our Party warned against in this House when Time Sharing came up for Debate.

Mr. Speaker, I will not be surprised to have a further request for funds — or even from the Hon. Premier saying that he must go to Boston on a Goodwill Tour, that is if the Minister of Tourism will have him along.

Mr. Speaker, Government's failure to vigorously pursue and to resolve the problems in the cruise ship industry has resulted in the loss of a cruise vessel for the current year.

Mr. Speaker, when one considers that tourist spending accounts for 52 percent of government revenue and every \$100,000 of tourist spending creates five (5) jobs, without cruise ship visitors, up to 500 jobs would be lost to the economy.

The Hon. Finance Minister reports that the Volendam cruise ship brought a total of 14,000 passengers to Bermuda in 1983. Assuming that each such visitor spent an average of \$10.00, the total outlay would be \$140,000.00. Using the figure \$100,000 of spending creates five (5) jobs, it therefore follows that a possible seven (7) jobs were created in 1983 which would now be a loss to the economy in 1984.

## Inflation Changes with G.D.P.

Table 1

### % Increase Annual Rate

Calendar Year	Money Supply	Index Of Retail Prices (Jan. '78 = 100)	G.D.P. (Factor, Cost)
1979	11.3	10.4	7.9
1980	15.2	15.0	17.8
1981	18.0	11.9	20.2

MR. SPEAKER, the table above shows the growth in money supply relative to output (G.D.P.) and corresponding changes in Retail Price Index. Allowing for a lag in response in the economy the changes suggest that inflation slowed down as the growth rate in output (G.D.P.) increased at a faster rate than the growth rate of the money supply.

## Quality of Life

Bermuda has a per capita income of roughly \$13,000 and ranks about tenth among the twenty high income countries in the world. These countries are classified by the World Bank. Per capita income, that is income per head, means the total income of the country divided by the population. The above twenty countries are countries with per capita incomes of just over \$800 and over. Bermuda is about tenth in the world of the 158 nations, and stands among the 28 high income countries.

This income attainment is exceeded only by the oil producing countries in the Middle East as well as a few developed nations such as Denmark and West Germany. These countries' income is about equal to that of the United States which in the most recent World Bank Atlas lists that per capita income as \$12,800. The per capita income of the United Kingdom stands at about \$9,100. The per capita income of Bermuda is higher than that achieved by all world regions as classified by the World Bank.

The North American region has a per capita income of about \$11,000. The Asian region has an average per capita income of \$300 per year. The average per capita income in Central America is just over \$2,000.00 What this means is that each person in the respective society could receive, assuming all the money in that society was shared equally, that particular amount.

Using the per capita income measure Bermuda ranks with the high income countries and can be considered a developed country.

The 1982 Household Expenditure Survey of Bermuda, records that a typical household in Bermuda, a household comprising of about just three (3) persons, earns about \$672 per week.

It further says that about 8 percent of all households receive under \$200 per week or an average of \$147 per week. It goes on to say that another 32 percent of Bermudian households earn an average of \$348 per week, that the next 30 percent above that figure earn about \$632 per week; so that the 16 percent of income earners of households, above that 70 percent or so receive an average income of \$925 per week. Another 9 percent, \$1,240 per week and the top 5 percent earn maybe \$2,000 and over. Some analysis of these figures show that what is happening is that the bottom 70 percent of households receive less than 50 percent of the household income generated in this economy, and the top 30 percent or the top 30 percent of households receive more than 50 percent of household income. One can go a bit further and say that the top 14 percent of households receive more than 30 percent of household income, and the top 5 percent of households, receive 15 percent of household income.

Now this highly skewed pattern of income distribution becomes even worse if one looks at income which is earned by persons — let us say male or female heads of households. The pattern of income distribution looks horrible when one puts it in those terms, for example — the average income per person — working person — and not just for households, according to the Household Expenditure Survey is \$424 per week, compared to the average household income of \$672 per week. The average income per person for the bottom 70 per-

cent of the population in which most blacks are, is approximately \$323 per week. While the average income for the top 14 percent of the population income earner is over \$800 per week.

The figures reveal not just the quantity of G.N.P. or income of Bermudians but more importantly show the quality of content which includes some consideration as to how the G.N.P. is distributed over all income earners.

But more importantly, the way in which G.N.P. is distributed has implications for the ability of people to provide for their basic human needs. People need income and money to buy food, to provide for housing, to pay for their health needs and for the educational needs of their children. It is claimed that we have very little poverty in Bermuda.

If the poverty standard or the deprivation standard which we are using is the average per capita income that is attained in several other developing countries, as has been shown in the per capita income of Bermuda is way above that of all major world regions including the developed world, but if the standard which we are using is the per capita income measure to which Bermudians have become accustomed, then we must argue that there is some measure of absolute deprivation in Bermuda even though one has not been able to put the exact percentage on it.

The figures given above suggest there is relative deprivation or poverty. It is not just the question of earning a lot of money even if a person is able to some extent provide for their basic human needs, because, if the other man or all other members of the population are those with better levels of income and their incomes keep improving while others remain relatively static, then the person whose income remains relatively static is becoming poorer on a relative basis.

The \$672 per week figure which was mentioned, the figure which was taken from the Household Expenditure Survey amounts to about \$35,000 per year basically. The question is, how many people in this society, how many ordinary people in this society, what percentage of the average population in this society currently earns \$35,000 per year, or if they are earning \$35,000 a year and over, how long has it taken them to get there?

Significantly, the Bermuda Industrial Union reports that the average weekly industrial wage is \$280, or \$14,550 per year.

If one looks at the Government estimates, it shows that teachers, customs officers, policemen and others start earning at about \$10,000 per year. Then it would take approximately 26 years to get to the average household income of \$35,000. We have not mentioned clerks and sales persons and the people who really make up the bulk of our society. Persons at these economic levels cannot even begin to think of the above income standard. It is therefore economic nonsense to say that the average income per household in Bermuda is roughly \$700 per week or that the quality of life is good for all because we have a high Gross National Product (G.N.P.).

## The Economic Alternative

### Three Main Thrusts:

(1) Mr. Speaker, we believe that the Hon. Finance Minister must seek an economic alternative to his present policy. He must through his Budget effect economic policies that will offer those in our community who are getting the least through no fault of theirs, hope and a reasonable opportunity to earn a slice of the economic pie.

(2) Mr. Speaker, the Hon. Finance Minister's Budget fails to put into effect a transfer system of payments that will adequately deal with those nearest to the poverty line, those with limited fixed incomes and others in the community who through no fault of their own find themselves unable to take advantage of any job enrichment programmes that are available.

(3) Mr. Speaker, the Budget Statement lacks commitment to educate and to train Bermudians — our limited human resources — the young, the person needing to be retrained, and even those who are forced into retirement but are capable of being retrained or in some other way can be utilised. Sir, the Budget is lacking in commitment and the desire to embrace all Bermudians, from all strata of our society, and to afford them equal opportunity so that they too can earn their rightful share in this their homeland.

Mr. Speaker, one or more of these categories may well fit those persons who lost their jobs last year. Those employees who previously worked at the Coral Island Time-Sharing Hotel or others who were the victims of winding down operations or restructuring of the several international companies already listed.

**Table 2**

<b>AGES</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>
Under 5 years . . . . .	5,284	4,664	3,733
5 - 19 years . . . . .	12,338	14,972	13,140
20 - 44 years . . . . .	15,170	20,090	22,274
45 - 64 years . . . . .	6,433	9,262	10,432
* 65 and over . . . . .	2,420	3,342	4,471
<b>Rate of Productive Workers and Non-Productive Workers.</b>			
* Assumptions: . . . . .	9.34	8.78	7.32

## Employment Opportunities

A dynamic policy must be pursued for the employment of those persons who reach 65 years and over, who enjoy good health and are prepared to remain actively productive for whatever reasons.

It would, in my view, be good economic sense to do so for the following reasons:

- (1) Bermuda has a limited manpower resource;
  - (2) The high loss of foreign exchange as unrequited transfer required to support an expatriated work-force.
  - (3) The declining ratio of productive workers to non-productive workers.
- (1) Non-Productive workforce all those person 65 and over.
- (2) Productive workforce all those person between ages of 20 and 64 (both ages inclusive).

It can be readily seen from Table 2 that the ratio of Productive to Non-Productive workers is on the decline. This trend I believe is developing for the following reasons:

- (1) Greater health awareness by the population;
- (2) Better health care and improved health facilities;
- (3) Scientific advances including modern technology.

The conclusion can be drawn that if the above trend continues, and there appears no immediate reason why this should not happen, that ultimately we could arrive at a stage when one productive worker will be required to support each non-productive worker.

It would therefore follow that steps should be taken to keep those who are willing and able, gainfully employed. As failure to do so will result in an economic cost in the form of greater transfer payments.

## Output and Economic Growth

The level of total output of the Bermuda economy as measured by the Gross Domestic Product (G.D.P.) in Constant Dollar Value increased from \$425.4 million (a mere  $\frac{1}{2}$  of 1 percent) in fiscal year 1978/79 and jumped to \$457 million (7.4 percent) in fiscal year 79/80 rising to \$476.6 million output in 1980/81 and rose by 4.3 percent whereas output in 1981/82 experienced a decline of some 5.5 percent. The Hon. Finance Minister estimates that there has been a  $7\frac{1}{4}$  percent increase in fiscal 1982/83 and goes on to project a further 2 percent growth in fiscal year 1983/84.

The average rate of growth of G.D.P. over the whole period fiscal year 78/79 to fiscal 81/82 is 4.4 percent.

### The International Business Sector

Mr. Speaker, while the Bermuda Government and private sector must be allowed to make strong bids to attract the lucrative insurance business to these Islands, it must be remembered that companies are here to serve our mutual interests. It therefore follows that only well-run, legitimate operations should be welcome here to establish businesses and only after the most careful vetting and conformity with proper financial requirements.

Lloyds Insurance has recently suffered much damage to its reputation, which has resulted in a re-structuring of the company.

Three points flow out of these conditions:

- (1) Just as Lloyds, we need in Bermuda a system of positive vetting for international companies and an appropriate information system brought on line so that our technical officers are given every opportunity to deal effectively with all applications to set up business operations in Bermuda.

(2) The Immigration Department must be more than a rubber stamp when processing labour applications and appropriate steps must be taken to secure the maximum employment opportunities for Bermudians. Mr. Speaker, I believe the Hon. Finance Minister should be more forthcoming with information regarding the insurance business. Mr. Speaker, we as elected representatives should not have to get our information from the London *Financial Times*.

(3) Mr. Speaker, in these matters it always seems that Bermudian employees are the first to be affected. Mr. Speaker, I would like for the Hon. Finance Minister to inform this House that he intends to immediately introduce measures to prevent such happenings again. Mr. Speaker, I repeat, Bermudians employed in these establishments must be protected.

## **Investments (Gross Domestic Fixed Capital Formation)**

Investment is the way an economy guarantees its future growth and prosperity. The GDFCF growth in the fiscal 80/81 was by some 22.4 percent by volume but showed a negative growth for the year 81/82. Mr. Speaker in the 83/84 Budget the Hon. Finance Minister projected an 18 1/4 percent increase by volume in the GDFCF for the year 82/83 and a decrease of 1 1/4 percent was projected for the year 83/84. While in this 84/85 Budget the Hon. Minister estimates a 28 percent increase for the year 1982/83 and omits a forecast for 1983/84.

Mr. Speaker, all of the aforementioned strongly suggest that a comprehensive up-to-date information system is needed.

Mr. Speaker, without adequate information how can the Hon. Minister ever hope to balance his Budget without being forced to defer needed capital projects. I offer the following comments to the Hon. Minister:

- (1) That he consider an overall Development Plan that integrates private sector projects with public sector spending;
- (2) That the Hon. Finance Minister give this House an assurance that he will not attempt to balance this 1984 budget by deferring the people's needy and urgent capital projects.

## **Public Expenditure**

MR. SPEAKER, the Hon. Finance Minister has budgeted for a 12 percent increase on the original estimate for 1983/84 and these percentages are mere estimates at this time.

It is our view that public spending is the way a government ensures that enough money is spent on services and goods which are crucial to the whole community. The Government has to accept this responsibility because the private sector is not able to willing to provide the services that are needed. In the first place, market forces cannot supply programmes to meet the considerable range of social and economic needs. Secondly, some vital services have to be provided for people who cannot wholly afford to pay for them. The private sector of our economy will not provide unprofitable services like this, so the public sector has to step in.

The acute housing shortage is a good example. Opponents to Government providing low cost rental units and subsidising home purchases, argue that housing should be left to the private developers. This has been Government's approach up until the recent past and the end result has been that those who could afford to buy a house or pay high rents have a home to live in today. Those who could not pay are presently either being given notices to vacate or face the threat of evictions.

Mr. Speaker, there is a broader role for public spending providing goods and services of value to the whole economy. We believe a successful economy must invest considerable resources in developing the backbone of the economy — such as education and housing. There is a benefit to the individual receiving training. But the economy as a whole gains from having a more highly skilled and adaptable work force. Wherever the benefit is wider to the individuals or businesses involved, then the government must step in to ensure that sufficient resources allocated to this end.

## **Fiscal Plan**

The Government's tax changes continues to place the burden on those least able to pay — the bulk of the wage earners. Thereby increasing inequality in

## **Land Tax and Land Valuation**

our society. A fairer distribution of income and wealth is needed through a more progressive tax system.

Mr. Speaker, the Opposition is of the opinion that taxation should have three main objectives:

- (1) It should generate sufficient revenue to fund the level of services which the people of Bermuda require.
- (2) It should provide an appropriate climate to encourage individuals and businesses to invest and create jobs.
- (3) It should command broad public acceptance as to its fundamental fairness, and do so efficiently with minimal administrative burden.

We believe that Government's tax policy fails to meet the above objectives.

## **Customs Duties**

MR. SPEAKER, the Hon. Finance Minister plans yet again to raise the customs duty of spirits, cigarettes, gasoline, diesel fuel as well as fuel supplied to the Power Company. These increases took effect immediately. I would ask the Hon. Finance Minister to inform the House again what method does he use to prevent liquor merchants from raising the cost on old stock?

Mr. Speaker, taxes raised via Customs Duty are, in my view, inflationary as they will automatically inflate the retail prices of the commodities in question. Further, because these taxes are likely to compress economic activity they could well lead to a shortfall in Revenue due to a decline in sales.

MR. SPEAKER, the Honourable Finance Minister, the Minister of Planning and the Minister of Works, Agriculture, and Housing by their assessment formulae for the Annual Rental Values caused considerable anxiety in certain sectors of the community and were forced to hastily enact legislative relief measures. Mr. Speaker, even at this late stage there still appears to be some confusion on the true position because of the number of objectors.

## **Rent Controls**

MR. SPEAKER, the Hon. Minister's proposal to release certain additional buildings from Rent Control and that such measures will be phased in is a reasonable one.

Mr. Speaker, there are two additional points that I will comment on and they are:

- (1) Rent Controls are usually relaxed in relationship to vacancies in a particular category;
- (2) Mr. Speaker, I believe that this Hon. House is aware that there is a very low correlation between housing production and rent controls but a very high correlation between housing production and other factors such as tax incentives and mortgage rates.

MR. SPEAKER, there is so much more that I could say in this Reply to the Budget Statement, but I will leave the rest of the discussion to the various Shadow Ministers whose responsibility it is to deal with the respective Heads of Government.

## Gibbons Attack on PLP

Hamilton THE ROYAL GAZETTE in English 3 Mar 84 p 4

[Text]

In a blistering attack on the Opposition, The Hon. David Gibbons, Minister of Finance, yesterday accused the PLP of "skulking" behind fancy words and "worshipping that shrine" — income tax.

"Let them do it," said Mr. Gibbons, "I am convinced the majority of Bermudians are against it."

Mr. Gibbons also slammed the PLP for a lack of economic common sense and for making proposals that would lead to economic disaster.

His remarks came at the end of the first day's debate on the \$186 million Budget for 1984-5.

"Really, just two words spring to mind — economic illiteracy," said Mr. Gibbons, holding up the official PLP reply to the Budget.

"This distressing economic illiteracy has manifested itself throughout this document."

Mr. Gibbons said of the 17 points made in the Budget reply, 14 were incorrect — and over the course of 45 minutes he corrected each of the errors.

The most stinging criticism was reserved for the PLP use of old statistics and suggestions that Bermuda should adopt a "progressive tax system" and "transfer system of payments".

Mr. Gibbons said it was misleading to quote 1981 inflation statistics indicating inflation was running at

nearly 12 percent when it was now down to just over 5 percent.

It was also misleading to suggest the Island's income per capita was \$13,000 when, in fact, it was more than \$18,000. Statistics indicating this were readily available.

"It's really pathetic," said Mr. Gibbons. "It is painful, painful. It is pathetic."

He added that the suggestion for a "transfer system of payments" was "a preposterous, dangerous, and insidious idea".

"The public do not know what that terms means," said Mr. Gibbons, adding that it was similar to "long-tail insurance".

"The risk catches up to you in the end. It ruins the country."

Mr. Gibbons said suggestions for an "overall development plan" was nothing more than an "exercise in socialism" which would be a "recipe for disaster".

As for the implementation of a "progressive tax system", Mr. Gibbons said the only way Bermuda could apply a more progressive tax system is if it introduced income tax.

"One thing is going to remain after this debate, and that is somehow or other this problem has got to be addressed if they are to be a responsible Opposition, which they are not at this time," said Mr. Gibbons.

PLP Threat

Hamilton THE ROYAL GAZETTE in English 5 Mar 84 p 1

[Text] The Opposition Progressive Labour Party will vote against the Government Budget unless the proposed \$8 million heritage fund is abandoned. Party Leader Mrs Lois Browne Evans warned last night.

She added that the PLP had only voted against a Government Budget a handful of times in her 20-odd years as a Parliamentarian.

Mrs Browne Evans said it was morally wrong for the Government to use surplus Government funds for investment when the money was needed now.

Her comments came on the heels of Friday's House of Assembly session when the debate grew heated on the subject of the heritage fund.

MPs will be in the House today to start the 37-1/2 hour Budget debate. They will sit on Monday, Wednesday and Friday this week and on Monday and Wednesday next week debating five ministries.

"We will be voting against the heritage fund," said Mrs Browne Evans. "It is so wrong to take \$8 million which could be used for this generation by financing necessary capital projects."

The Hon David Gibbons, Minister of Finance has proposed that \$8 million of the Government consolidated fund be invested in US bonds that will mature in 2012 at \$200 million.

The proposal has brought stinging criticism from Opposition Members. Mr Alan Dunch, chairman of the National Trust Environmental committee has also voiced his objections to the plan, arguing it would be wiser to invest the money in land purchases for the public.

Mrs Browne Evans said that unless an amendment was made to the proposed budget the Opposition would vote against the whole \$186 million package.

CSO: 3298/604

**SWAN INTERVIEWED ON FUTURE OF COMPUTER TECHNOLOGY**

Hamilton THE ROYAL GAZETTE in English 28 Feb 84 pp 16-17

[Text]

---

*More and more, Computer technology has come to be discussed by Government as an aid and partial panacea to many of the islands' present problems, and as a circumvention of others still in the future. To Try and help people understand just how computers and computer technology might help us on both a national and a personal level, I asked the following questions of Premier the Honourable John W. Swan.*

---

**Sinclair:** Would you care to comment on what you perceive as your focus on Bermuda's future in regard to technology?

**Premier Swan:** Bermuda's future with regard to the implementation of high technology has I think two aspects. The first is the domestic application of computer and communications technology. The second has to do with the translation of Bermuda's geographic position, and tax environment, to create an additional source of revenue. This is my current thinking.

**Sinclair:** In general (referring back to my first question), what do you see as the most negative potential effects resulting from Bermuda's becoming a computer-technological society?

**Premier Swan:** The allegedly negative effects of the introduction of high technology tend to be more perceptual than real. While in general it is true that change can bring with it some negative effects, it is my opinion that Bermuda is in a much better position to cope with such change. After all, we have an educated population, we are a sophisticated society and we have been gradually introducing technology into our work place and into society at large for some time now. Therefore, I do not believe that we will ever suffer from technology stress. Further what we must remember is that we are not going wholesale into high technology and ignoring tourism or international business. Thus, enhancing the potential for greater productivity and allowing for diversity of growth in our economy.

**Sinclair:** How exactly will the establishment of "micro industries" and the making of Bermuda into a major computer center aid in the problem of our environment?

**Premier Swan:** As I said before, there are two aspects of the high technology phenomenon in Bermuda. The first is to do with using high technology to solve Bermuda's problems. The second has to do with high technology providing a source of revenue for Bermuda. It is wrong, I think, to talk, as you do, in terms of a major computer centre in Bermuda. It would be preferable to talk of Bermuda as a software marketing centre than so-called computer centre. I have always talked in terms of a so-called communications freeport, which would mean that writers of software could market their products through Bermuda, much in the same way as many of our exempted trading companies operate at this moment. What makes Bermuda uniquely suited to this type of activity is our geographical location, being in the footprint of the geostationary satellites. In terms of our domestic applications, I believe we ought to be "wiring" Bermuda to enable the Bermudian population to take advantage of a broad band communication system. This would mean that people could work from home, something very important to mothers and handicapped people, bill paying from home, accessing libraries and data bases and other such ancillary benefits which would make life easier to live. All of these applications have as a single goal, the capacity to allow people to have greater leisure time, while, at the same time, enhancing the quality of their lives.

**Sinclair:** You began talking about technology in 1980, I believe. "To prevent social upheaval", you said then, "we must use technology in the form of telecommunications and computerisation." "To maintain our standard of living and a consistent rate of growth, we must embrace the notion of productivity — productivity, the maximising of our human and technological resources". Would you care to comment?

**Premier Swan:** In essence, I do not believe that Bermuda can sustain its present level of economic growth in traditional terms understanding of what growth is. Traditional growth means bigger buildings, more people, more cars, more development of land and all the other things which I believe are incompatible with decent quality. Yet, we have a problem because we need to maintain the same level of economic growth to allow for the economic well being of all of our people. Thus, acceptable growth means having the same economic yield without the detrimental effects of traditional growth patterns. I maintain that technology will allow us to overcome the dilemma of how to maintain economic growth without bringing in any more people, or building bigger buildings, or allowing more cars on the road. By maximising the use of technology, we enhance our levels of productivity and maintain comparable rates of economic growth.

**Sinclair:** Bermuda's numbers of blue-collar and lower level clerical workers are dropping off substantially. Will Bermuda's new technological industries address themselves in any way to this problem?

**Premier Swan:** Yes, I agree that Bermuda is moving towards becoming a white-collar society. A careful examination of school leavers' career intentions leads us to the inescapable conclusion that they will be seeking jobs in the professional, managerial or technical area. This phenomena combined with the declining birth rate, and therefore a drastic decline in the numbers of children in our schools, will mean that we will have to find ways of addressing manpower needs in certain areas. I believe technology could assist in many of these areas by reducing our reliance on manpower. However, what we must be mindful of is that we will always need some types of workers who have skills that only people have and who cannot be replaced by machines or any sort of technology.

**Sinclair:** If we turn Bermuda into a major computer center, how do you foresee we will train Bermudians to man the industry?

**Premier Swan:** If I can, once again, point out to you that it is not our intention to turn Bermuda into a computer centre but rather a software trading and marketing centre. There seem to be two ways of handling the problem that you pose, both of which are already in place. The first has to do with training young people. Here, let me say that there are many Bermudians overseas at present being trained in the area of telecommunications and

computers. The second is in the area of retraining. In fact, all of the computer courses in the College have been over subscribed. In other words, Bermudians are training themselves for a career in computers. In fact individual companies are also sending people abroad for training. Indeed, even the hotels are moving towards computerised reservation systems and training their personnel. We are, in fact, monitoring the need through the Manpower Survey and, I believe we are aware of the long-term requirement. I know the Minister of Industry and Technology and the Minister of Education are communicating and examining this area for further action.

**Sinclair:** You once said that "the child in his love affair with the computer has the profoundest implication. It will revolutionise the way in which our education system works. It will mean the output of Bermudians ready, able and skilled to take their place into the electronic society of the 21st century". Would you care to comment?

**Premier Swan:**

In brief, children take to computers and any sort of machine quicker than adults do. From my personal experience, my children could operate our home computer much quicker than I could. A computer really, to the child, is nothing more than a video game. The child has no fear, has no lack of curiosity and indeed has a natural affection for playing with machines. That is why the child and the computer has a profound implication.

**Sinclair:** Would you care to comment on the emerging role of the educator in the new technological Bermuda. With much of the desk and paperwork taken out of teaching by computers, won't teachers have to truly educate more? Won't we in many ways have to rethink our educational system?

**Premier Swan:** Computers in education will mean that a child will be able to learn through a computer and will be able to develop at his or her own pace. What this means for the teacher is that he or she will be able to spend more time individually with students, and not worry so much about the whole class. I think it enhances a teacher's role, and it certainly does not mean that we will have to rethink our educational system. A terminal in the school on a child's desk is a means of learning, it is not an end in and of itself. We are not planning to create a whole generation of computer whiz kids. Rather we want to make learning a more pleasurable and efficient experience.

**Sinclair:** What is the Ministry of Education's attitude to computer education — will computerisation be accepted?

**Premier Swan:** The ministry of Education is quite enthusiastic about computers in education, and certainly has participated at various conferences, and training programmes. The Ministry which embraces the Minister, Department of Education and the teachers want nothing but the best for our children, and so it is natural that they would be open to the tremendous potential of computers.

**Sinclair:** Will all this we're discussing lead to the expansion of the Ministry of Technology?

**Premier Swan:** It is not intended. The very point of introducing technology is to prevent expansion. Of course, the role of the Ministry could well expand, and there may be a need to have professional staff and consultants, but certainly I do not envisage the Ministry of Technology itself growing into a huge operation when it should be using technology to prevent that kind of growth. In simple terms, I cannot see the need to have a huge bureaucracy.

**Sinclair:** You have children. How conversant are they with computers? Are you keeping up with them? Have you any advice for parents who feel themselves being left in the dust by their offspring? Will Bermuda, as a country, attempt to undertake any sort of computer education programme for parents?

**Premier Swan:** My children are quite conversant with computers. They are probably in a position to educate me. My advice to parents is to let children play with the computer to their hearts' content. Parents should try and familiarise themselves with computers so that they do not get left behind. In fact, I think many parents are doing just that by taking computer courses, and by learning together with their children. I prefer to think of the computer in the home as a family activity, and one in which I would be reluctant to interfere.

**Sinclair:** You once said: "As we become surrounded by technology, I see the individual reaching out more for the human touch. Thus we must never lose sight of, as one author has put it so well, 'high tech/high touch.' This means a balance between the physical and spiritual reality." Would you care to comment?

**Premier Swan:** In fact the author that mentioned this was John Naisbitt in *Megatrends*. What he means by high touch is giving the individual more attention, as people have more leisure time and are doing more meaningful work. It means accepting greater personal responsibility for our own lives and for the lives of others. By making time available for leisure or just free time in general, we have a wonderful opportunity to be with other people. At the present time, without the benefit of high tech we tend to work with other people in a building and not develop close personal relationships. With the introduction of technology we have a better chance to use our free time creatively, and therefore come closer to others. That is the spiritual reality, that Naisbitt talks of.

**Sinclair:** How can we safeguard our freedoms — our society — and our children against the kind of computer domination described in George Orwell's 1984?

**Premier Swan:** Some weeks ago when everybody was writing about 1984 and George Orwell, I was led to conclude that Orwell was obviously wrong. Today not only is democracy alive and well in the Western World, but so are the safeguards for individual freedom. There is legislation to prevent the sorts of excesses that Orwell talked about. In fact, there was a very interesting article in the *Economist* recently, which pointed out that the Western World, with its computers etc., was indeed enjoying unprecedented levels of freedom. You see that constitutions and constitutional safeguards have dominated, not Orwellian excesses. We have the safeguards in Bermuda. However, freedom is such a precious commodity — we need always to be vigilant about those who would use any means to take away our freedoms. ■

CSO: 3298/605

**SWAN MEETS WITH MRS THATCHER, EXPLAINS 'LEAP FORWARD'****Characterization of Talks**

Hamilton THE ROYAL GAZETTE in English 29 Feb 84 p 1

[Text]

Premier the Hon. John Swan returns to Bermuda today after talks in London with British Prime Minister Margaret Thatcher and Foreign Secretary Sir Geoffrey Howe.

Mr. Swan said from London last night the talks were "cordial and constructive", and centred on the Island's foreign affairs for which Britain is responsible.

"The talks allowed a breath of fresh understanding that is vital under the constitutional arrangement," said Mr. Swan last night.

"You have got to bear in mind that constitutionally they have a role to play in our foreign affairs."

"More and more we have been addressing foreign affairs subjects ourselves with British acquiescence. It is better for them to understand our goals."

The one subject not raised was independence, said Mr. Swan.

He added that discussions with Mrs. Thatcher lasted 45 minutes and included ongoing negotiations with the US for Bermuda to be exempted from US business convention tax restrictions.

The two leaders also discussed deregulation of the US airline industry and how it has affected the Island under the Bermuda Two agreement signed in 1977, before deregulation.

Also on the list for the talks was the political stability of the Island, and the need for such stability in the Caribbean area.

"You've got to remember that last time I was here in 1982 it was in the middle of the British recapture of the Falkland Islands, and it was the day President Reagan was here," said Mr. Swan.

He added that this time there was opportunity to go into more detail, particularly with Sir Geoffrey Howe, whom Mr. Swan spoke with for about half-an-hour.

"We spoke in more detail as to what we were doing on US

convention tax concessions, and the potential problems with the Bermuda Two agreement," said Mr. Swan.

"Airline deregulation could produce problems for us — there could be more airlines servicing the Island, creating more aircraft on the runway without necessarily bringing more passengers."

Mr. Swan also met with Baroness Young, Minister of State for Foreign and Commonwealth Affairs. The two met for 20-25 minutes before attending a lunch at Carlton House Gardens with 14 other guests.

The lunch guest list included Lord Pitt, who chaired the Pitt Commission investigating the 1977 riots, the Private Secretary to Princess Margaret, and Chairman of Cable and Wireless Mr. Eric Sharp.

Mr. Swan was scheduled to give a speech last night at a special dinner held jointly by Cable and Wireless and the West Indian Committee.

#### Swan Message in UK

Hamilton THE ROYAL GAZETTE in English 1 Mar 84 p 1

[Text] Bermuda is taking a "bold leap forward" in efforts to become a worldwide centre for computer software marketing and telecommunications, according to Premier the Hon John Swan.

That was the essential message delivered at a special dinner given by Cable and Wireless in London for Mr Swan while he was in the UK for talks with Prime Minister Margaret Thatcher.

"This leap forward has begun already," said Mr Swan of Bermuda's latest attempt to diversify the Island's economy.

"We do not look upon this move in the area of high technology as being only related to our economic well-being. We will also look at these new technologies as a means of solving some domestic dilemmas."

Such dilemmas included maintaining present economic growth and at the same time holding onto a "decent quality of life" in what Mr Swan called "our little Atlantic outpost."

"All too often we have looked upon traditional economic growth as being bigger everything, and more of everything. With the use of technology, Bermuda wishes to be a country which places an emphasis on a better quality of life.

"Thus we look ambitiously forward to the 'wiring' of Bermuda. To many, this will indeed be a bold leap forward.

"Our emphasis now must be on enhancing the quality of life by committing ourselves to orderly growth and better productivity. This is the mandate I received from the electorate and it is one which I intend to deliver."

CSO: 3298/605

## POLICE MANPOWER, OTHER NEEDS RECOMMENDED FOR STUDY

Hamilton THE ROYAL GAZETTE in English 2 Mar 84 pp 1, 3

[Text] Police Commissioner Frederick Bean wants at least another 62 officers on his force, which would mean one Police officer to every 115 residents of the Island.

His request has prompted British Police adviser Mr Robert Bryan to urge that a manpower study be carried out to examine the needs of the force.

The recommendation is one of 18 made by Mr Bryan in his report on the Bermuda Police after a ten-day trip to the Island in November.

The report was released at a press conference yesterday attended by Mr Bean and his deputy Mr Clive Donald, the Hon Sir John Sharpe, Minister of Labour and Home Affairs, and Deputy Governor Mr Mark Herdman.

Mr Bean, Mr Herdman and Sir John will constitute a committee to study the recommendations which also include:

--A study of long-term operational and personnel accommodation needs.

--A greater emphasis on training at all levels.

--Officers be taken off non-Police work such as administrative and technical jobs.

--A study to see if there could be greater use of cautions for traffic offences.

--A commitment to being as open as possible with the press.

Mr Bryan, a former head of Special Branch with London's Metropolitan Police, concluded his 22-page report by saying there was no cause for alarm about Police relations with the public.

But he said that would not continue without greater effort by the whole community to deal with the root causes of drug abuse, traffic offences and crime. Despite those problems the force is working "extremely well."

"I make no suggestion that the Bermuda Police are any less courageous, dedicated, decent and hard-working than they have always been," he wrote.

His report said that Mr Bean wants a minimum increase of one chief inspector, two sergeants, 15 detectives and 44 constables. That would increase the force strength from 419 to 481, at a cost of \$1.3 million at current wages.

But Mr Bryan noted that many officers were currently tied up on work that could be carried out by civilians such as court, Parliamentary and airport security as well as several clerical, administrative and technical tasks.

"This kind of work places a strain on scarce manpower resources," he said.

He felt Police should continue to be responsible for security at Government House and the Premier's home. And he suggested that before any increase in the force strength was allowed, consultants should be brought in to examine current levels and use of manpower.

Mr Bryan said the force was a long way from being fully Bermudianised, noting that only 44 percent of officers with under five years' service are Bermudian. Cadet training would be the way to achieve the aim, but Mr Bean said yesterday that cadet recruitment had dropped sharply in the past year.

"It therefore remains important to retain the commitment of experienced non-Bermudian officers in a force which has a statistical turnover of all constables every 8.5 years," said Mr Bryan.

He was critical of the conditions in which the police have to work and live. He said he found cases where married officers had to live in barracks while their families lived elsewhere because of high rents.

And he pointed out that while there are 207 single officers on the force there is accommodation for only 98 men. He said many of the Police buildings are so old they are not suitable for modern Police work.

Mr Bryan said he was concerned at the effect on community relations of the high number of traffic convictions each year. There were 11,329 in 1982 with 11,692 parking tickets issued by traffic wardens.

He recommended a study to see if officers could be given greater discretion in giving cautions rather than tickets.

Mr Bryan said community relations were inextricably linked with the media, through which many people gained their impressions of the Police.

"I recommend that media policy should be consolidated and extended so as to be more imaginative and flexible with a positive commitment to being as open and free as possible without compromise to judicial processes in either criminal or disciplinary cases, or to national security," he said.

On complaints against the Police, Mr Bryan said he found the system of investigating and adjudicating to be satisfactory. He recommended that leaflets be available in all Police stations explaining to the public the complaints procedure.

Mr Bean said yesterday such leaflets had been printed and would be distributed.

CSO: 3298/605

**OPPOSITION URGES OVERHAUL OF VOTER REGISTRATION SYSTEM**

Hamilton THE ROYAL GAZETTE in English 2 Mar 84 p 2

[Text] Shadow Home Affairs Minister, Mr Frederick Wade, last night said the time had come for Bermudians to be automatically registered.

He told a forum organised by the PLP's National Youth Advocates that the current system of registration was "in dire need of a serious overhaul."

And Mr Dale Butler, St George's Secondary School principal, lambasted both the PLP and Government for not paying greater attention to the issue of 18-year-olds being given the right to vote.

Mr Butler said that although the vote at 18 had long been a PLP platform, it had apparently fallen behind in recent years. He suggested the National Youth Advocates take the issue up as a firm campaign.

The forum was held at the PLP headquarters on Court Street and was attended by about 25 people.

First to speak was Party organiser Mr Roosevelt Brown, who charted the history of registration in Bermuda stemming back to the days when it was based on land assessment.

Mr Wade said that before 1963 the franchise rested with people who owned property worth £60 or more.

Between 1963 and 1967, the vote was extended to people aged 25. Those in the right age bracket and with the necessary property were allowed two votes.

"But it was all voluntary registration," Mr Wade told the meeting.

Later on, the property stipulation was abolished. A foreign consultant recommended making the registration period one month and also mounting "short, sharp but effective" publicity campaigns to make people register.

"We have never to this date had effective publicity campaigns," Mr Wade said.

Eventually, registration forms were mailed to homes.

At the Warwick Camp Constitutional Conference in 1979, the PLP pushed for the British system of compulsory registration under which those who fail to register can be fined and voters are canvassed to make sure they register.

"We saw this implemented in principle but never in spirit or intention," Mr Wade said. Instead, forms simply went out with an instruction to pass on a form to one's next door neighbour.

"This, I suppose, is the best system we have had so far, but it leaves much to be desired and is in dire need of a serious overhaul," the MP said.

He said the time had come for automatic registration. Mr Wade said he was sure that Government with its computer-stored information could achieve this.

Mr Dale Butler said the importance of the vote as a whole should be stressed, not just its importance to young people.

He urged the NYA to take up automatic votes for 18-year-olds as a campaign issue and he expressed disappointment that the PLP itself had fallen behind in its struggle for that right, although he added: "They have already pushed the ball so far against enormous odds."

He said the UBP was "scared" to extend that right because it felt it might go against them.

"But morally it is sound and responsible--leaving aside the two parties and speaking strictly on principle--to give 18-year-olds the automatic right to vote," Mr Butler said.

CSO: 3298/605

## HOUSE OF ASSEMBLY APPROVES MARTIN LUTHER KING HOLIDAY

Hamilton THE ROYAL GAZETTE in English 18 Feb 84 p 1

**[Text]** The House of Assembly yesterday voted 17 to 10 to reject a Senate amendment to the proposed Martin Luther King Jr. Day holiday that would have named it National Heroes' Day instead.

The vote was taken after a six-hour debate that was a virtual action replay of the House debate a few weeks ago.

The highlight of the debate occurred when brothers Mr. Austin Thomas and the Hon. George Thomas squared off from across the House floor.

At times the religious fervour of both Thomas' speeches made the Friday session of the House seem more like Sunday in church.

As expected, the Progressive Labour Party argued for the amendment, insisting that a holiday named after Dr. King was inappropriate. Government stuck to its guns in favour of Martin Luther King Jr. Day. "The weakness of their presentation leaves one with no choice but to retain the position we came here with," said Premier the Hon. John Swan.

"The Opposition Leader says no other country has honoured Dr. King, so why should we? But why shouldn't we be the first. We can lead the rest of the world."

Yesterday's debate was necessitated when the Senate defeated the original Martin Luther King Day Bill calling for a holiday every January from 1986.

The Senate sent the legislation back to the House of Assembly with the amendment originally suggested by the PLP.

The House will now send the Bill back to the Senate along with its own proposed amendment — that "Junior" be added to Dr. King's name.

The Senate could again reject the House proposal, and under the Constitution could do so until the end of the next Parliamentary session in the summer of 1985.

The Constitution says the Senate can block laws for only two sessions, so it would then automatically become law.

Leader of the Opposition Mrs. Lois Browne Evans said that the PLP did not

mind Government honouring a black man — but only if they meant it. But she remained skeptical.

"For a capitalist, conservative, establishment Government to tell this Country it believes that a national day named after Dr. King will change the attitudes of this Country — that is sophistry," she said.

Mr. Swan replied that the Opposition had lost sight of the point of the proposed holiday. The debate had now degenerated into political terms.

"The great tragedy of the whole debate is that we have lost sight — it has become a question of a political stance versus reality," said Mr. Swan.

"I have listened for years to the cries from the other side about equality, and integration and blacks feeling they have been left out.

"They have asked why Government has not done something about it. Then they come here like a bunch of children and say they do not stand for all of the things they have said over the years."

## SENATE ACTS TO INVESTIGATE BANK CHARTERS, MONETARY UNIT

Hamilton THE ROYAL GAZETTE in English 23 Feb 84 p 1

[Text] The Senate demanded yesterday that Government appoint an independent body to investigate the sale of bank charters and the role of the Monetary Authority.

The request was made following a narrow victory vote for Independent and Opposition Senators — the second such vote against Government this year. Earlier, Senate rejected the Government proposal for a Martin Luther King holiday.

Senate President Hugh Richardson broke a five-five deadlock when he voted in favour of the motion originally tabled by Opposition Senator David Allen but amended by Independent Senator Stanley Gascoigne.

The five Government Senators voted together to block the motion in a four-hour debate punctuated by heated exchanges.

The debate followed the recent sale of the deposit taking department and bank charter of John Swan Ltd to the Bank of Bermuda.

The motion asks that Government "appoint an independent committee to investigate and report on the sale of bank charters,

and to make recommendations on the role of the Monetary Authority".

It had been originally proposed as a select committee investigation into the sale of the John Swan Ltd bank charter as well as an overall investigation into Island's banking and deposit company laws.

The first attempt at an amendment was made by Independent Senator Arnott Jackson. His amendment called for an independent local committee to investigate the "propriety of the sale Swan Bank Ltd charter" as well as the role of the Monetary Authority.

But Senator Jackson's amendment was superseded by Senator Gascoigne's proposal which dropped all reference to the Swan bank charter, and instead called for an overall investigation into the sale of bank charters.

Government Senator Llewellyn Peniston was the most vigorous in his opposition to the motion and amendments, arguing they were nothing more than a "politically motivated" attempt to "throw egg on our face".

Senator Gascoigne replied that the Govern-

ment side was "grabbing at straws" and "still playing semantics" in opposing the investigation.

The debate was opened by PLP Senator David Allen who spoke for 45 minutes on what he described as a most important and significant motion.

Senator Allen said he thought that the Swan bank would have been a "fledgling symbol of a pluralistic society" but had now joined other such symbols in oblivion.

Later he wondered if the deal had been a "glorified bailing out" operation. The only easy way to solve this and other questions he raised was by appointing a select committee to clear the air.

Senator Peniston thought Senator Allen was "flogging a dead horse" in order to "politically flagellate the Premier".

Government spokesman Senator Charles Collis and UBP Senator Paul Leseur both declared that they were directors of and had small share holdings in the Bank of Bermuda.

Senator Collis thought the sale was the best thing that could have been done for the investors and felt the motion was designed to discredit the Premier or Government.

## BRIEFS

**CRITICISM OF TOURISM CHIEF**--The Progressive Labour Party has again hit out against the appointment of an American as the new Tourism Director, charging that the deck was "stacked" against four Bermudians who applied for the job. Shadow Minister for Tourism Mr Stanley Morton said last night that it was clearly improper for Mr Warren Keegan to assist in selecting a new Director after he had just carried out a review of the Department of Tourism. "The fact that Mr Keegan acted in two roles--compiling the report, and then at Government's behest involving himself in the actual carrying out of the recommendation--effectively stacked the deck against the four Bermudian applicants who were rejected," said Mr Morton. His comments come after Government announced that American Mr Andrew Vladimir had been chosen to take the \$62,867 a year--plus perks--job. [Text] [Hamilton THE ROYAL GAZETTE in English 29 Feb 84 p 3]

**FISHING WHITE PAPER**--Fisheries Minister the Hon Quinton Edness plans to meet soon with Bermuda fishermen to discuss Government's forthcoming White Paper on the industry. Mr Edness said last night that the Paper was designed to "protect resources, which are seriously jeopardised, while ensuring a living for commercial fishermen." "The White Paper has gone before Cabinet and I think the recommendations in it achieve those aims," Mr Edness said. Concern has been expressed by some commercial fishermen that they had hardly been informed of the White Paper's contents, despite promises by Government that there would be full consultation. "I met commercial fishermen three times last year and I have also given instruction for another meeting with the fishing industry," Mr Edness said last night. "It is unlikely that what is proposed will please everyone. Fishermen can be very individualistic." [Excerpt] [Hamilton THE ROYAL GAZETTE in English 23 Feb 84 p 1]

**RENT CONTROLS**--Rent controls will be abolished within five years if Government is successful in passing legislation now before the House of Assembly. The Hon David Gibbons, Minister of Finance, introduced the Rent Increases (Domestic Premises) Control Amendment Act 1984 in last week's session of the House of Assembly. The purpose of the Bill is to initiate a phased reduction in the ceiling of the annual rental value (ARV) of private homes subject to rent control until all controls have been removed. Rent controls were introduced in 1978. The Bill would release 3,960 properties from rent control this year alone by decreasing the ceiling of rent control from properties with a \$22,000 ARV to those with a \$12,300 ARV. A spokesman for the Rent Commission said yesterday that about 20,000 homes are currently subject to rent control. [Excerpt] [Hamilton THE ROYAL GAZETTE in English 28 Feb 84 p 1]

## IBGE POLL SHOWS RISE IN UNEMPLOYMENT IN JANUARY

Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Feb 84 p 17

[Text] In January of this year, 914,651 Brazilian citizens were unemployed in the six main metropolitan regions of the country, according to a study made by the Brazilian Institute of Geography and Statistics (IBGE). This means that 7.45 percent of the economically active population was unemployed in January, as compared to 6.3 percent in January 1983. The increase in unemployment was the result of new dismissals, since 6.66 percent of these individuals were employed earlier, and the number of those seeking work for the first time remained stable.

The increase in unemployment was greatest in Belo Horizonte, where 7.58 percent of the economically active population was without jobs in 1983, while the figure has now reached 8.98 percent, representing about 92,207 individuals. The unemployment rate also rose drastically in Recife, from 6.96 percent to 1.1 percent, and Sao Paulo, from 6.53 percent in January 1983 to 7.89 percent in January 1984.

All of the regions studied by the IGBE showed an increase in the number of individuals without work. In Rio, 203,349 individuals were unemployed, representing 6.48 percent of the economically active population. In Salvador, the total came to 47,229 (7.57 percent), while that in Porto Alegre was 61,180 (6.28 percent).

Average Rate of Unemployment  
(individuals 15 years of age or older)

<u>Month</u>	<u>Total</u>	<u>Seeking Jobs</u>	<u>Previously Employed</u>
		for the <u>First Time</u>	
<u>1983</u>			
Jan	6.30	0.78	5.52
Feb	6.14	0.72	5.42
Mar	7.02	0.80	6.22
Apr	7.17	0.75	6.42
May	7.03	0.68	6.35
Jun	6.90	0.64	6.26
Jul	6.82	0.63	6.19
Aug	7.00	0.67	6.33
Sep	7.12	0.64	6.48
Oct	6.75	0.71	6.04
Nov	6.51	0.60	5.91
Dec	5.63	0.52	5.11
<u>1984</u>			
Jan	7.45	0.79	6.66

Unemployment Rate by Metropolitan Region  
(individuals 15 years of age and older)

<u>Month</u>	<u>Rio de Janeiro</u>	<u>Sao Paulo</u>	<u>Porto Alegre</u>	<u>Belo Horizonte</u>	<u>Recife</u>	<u>Salvador</u>	<u>Average Rate</u>
<u>1983</u>							
Jan	5.83	6.53	5.45	7.58	6.96	5.61	6.30
Feb	5.41	6.48	5.83	7.13	7.14	5.20	6.14
Mar	6.71	7.03	6.99	7.97	8.37	5.58	7.02
Apr	6.59	7.30	7.08	8.13	8.92	5.77	7.17
May	6.27	7.24	7.38	7.84	8.81	5.59	7.03
Jun	6.54	7.05	6.85	7.71	7.74	5.47	6.90
Jul	6.16	7.00	7.17	7.57	8.59	5.04	6.82
Aug	6.55	6.94	7.79	7.69	8.43	5.93	7.00
Sep	6.66	7.22	7.32	8.09	8.40	5.55	7.12
Oct	6.20	6.71	7.14	8.13	8.09	5.73	6.75
Nov	6.16	6.45	6.22	7.83	7.85	5.49	6.51
Dec	5.02	5.53	5.52	7.54	6.44	5.89	5.63
<u>1984</u>							
Jan	6.48	7.89	6.28	8.98	8.10	7.57	7.45

5157  
CSO: 3342/77

## FEBRUARY INFLATION RATE SET AT 12.3 PERCENT

Rio de Janeiro O GLOBO in Portuguese 1 Mar 84 p 22

[Text] The rate of inflation for the month of February was 12.3 percent, yielding a cumulative total for this year of 23.3 percent. In the past 12 months, Brazilian inflation has reached the record level of 230.1 percent. The official figures were released by the Getulio Vargas Foundation yesterday, with the explanation that in February there was no expurgation or adjustment of prices, as occurred in January for oranges (less 0.4 percent), because of the Florida freeze which forced a sharp increase in the price of the product domestically and abroad.

The fact weighing most heavily in the 12.3 percent inflation rate in February, one of the highest figures for recent months (that for January was 9.4 percent after adjustment, or 9.8 percent without adjustment), was the civil construction cost index, which rose 21.7 percent. Within this figure, there was an increase of 40.4 percent for manpower alone, due to the wage increase of 75.3 percent for this category. The increase in the price of fuel (authorized by the government at 28 percent on 26 January, effective in February) also weighed heavily in the rate of inflation last month: 25.6 percent within the wholesale price index. The price increases for oil and petroleum products, according to the Foundation, accounted for one-fourth of the inflationary increase seen in February (or about 3 percentage points).

During the month of February, the variations in the prices of the majority of products and services were two-digit figures, i.e., 10 percent or more, in the three indices taken into account in calculating inflation--wholesale, consumer and civil construction. Within the consumer price index, food showed an increase of 11 percent, clothing 11.3 percent, household items 10.8 percent, personal services 10 percent and public services 12.5 percent. In the wholesale price index, consumer goods showed a price increase in February of 10.3 percent, food items 10.8 percent, construction materials 12.1 percent and industrial products 12 percent.

5157

CSO: 3342/77

## TANK WITH COMPUTERIZED FIRING SYSTEM TO BE MANUFACTURED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 1 Mar 84 p 15

[Text] Sao Paulo--The Osorio secret--the heavy Brazilian tank which will be produced beginning in 1985--was revealed yesterday by the director of ENGETRONICA (the enterprise which will produce the electronic equipment), Jurandir Brito de Freitas. It has a sophisticated firing system, computer controlled, which will be installed on a tank produced in the country for the first time.

The first prototype of the Osorio will be tested in the second half of this year. Mass production is scheduled to begin next year at the National Railroad Car Factory, an enterprise now controlled by the ENGEESA [Specialized Engineers, Inc.]. It was also confirmed yesterday that the traditional customers of the ENGEESA, mainly in the Middle East, are now interested in buying the new product.

The director of ENGETRONICA, an enterprise created by the affiliation of GENSA (60 percent) with Philips Brasileira (40 percent), announced that the development of the Osorio firing system has been entirely domestic, in view of the need for the country to be totally independent in this type of technology. The Osorio communications equipment will also be produced by ENGETRONICA, as will the high frequency (HF) and very high frequency (VHF) radios.

"The Osorio fire control equipment is sophisticated. The computer receives data from a laser rangefinder linked with an electrical optics system. This combined laser rangefinder and optics system is known as an optometer," Jurandir Brito de Freitas explained.

In addition to the computer, an interface and a chopper linked with the electric motor, the Osorio is equipped with special sensors, for example one that indicates degree of inclination.

5157  
CSO: 3342/77

## NAVY TO IMPORT MISSILES TO EQUIP CORVETTES

Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Mar 84 p 23

[Text] Sao Paulo--The corvettes which are being built for the Brazilian navy will be equipped with imported missiles, Minister Maximiano da Fonseca announced yesterday. He did not indicate the source of these weapons, explaining that the model chosen would not be revealed so that the producer will not increase the price on learning of Brazilian interest.

Parallel to this purchase, the minister explained, projects pertaining to three different types of missiles to be produced in Brazil by the enterprises which manufacture this type of weapon will be pursued. The minister confirmed that the navy is to equip the aircraft carrier Minas Gerais with A-4 planes for defense and attack, purchased second-hand.

## Submarines

Concerning the plans to produce nuclear submarines in Brazil, Maximiano da Fonseca said that there is no clearly defined program for that purpose. The program under study pertains to the manufacture of steam-powered submarines "which may develop in that direction in the future." However, there is a contract, still contingent upon financing, for the building of a first conventional submarine in Germany, with the assistance of Brazilian naval technicians. On the basis of the knowledge gained, a second unit will be produced in Brazil.

The naval minister delivered an address yesterday to members of the university council, professors and experts in naval engineering at the University of Sao Paulo, as a part of the program to commemorate the 50th anniversary of the founding of the university. He stressed the contribution made by the navy to the development of research in the country.

Speaking of the development of the Brazilian shipbuilding industry, he emphasized that "the offer of unused or soon-to-be-obsolete foreign vessels, combined with a series of other situational factors, has hindered the continuity of the effort undertaken by Adm Henrique Aristides Guilhem at the beginning of the 1930s to make shipbuilding a domestic effort."

"Recently, the accelerated development of technology and the increasing cost of production have dictated a development of national training for the production of naval equipment," the minister said.

## BRIEFS

BUDGET FOR 1984--The Legislative Council was in session on Wednesday of this week and was still in session at the time of this writing. The main item on the Order Paper was the 1984 Budget Estimates which was introduced by the Chief Minister, Hon C.B. Romney, who is also Minister of Finance. Upon introduction, the Budget was referred to the Standing Finance Committee, comprising of all Members of the Council, with the Speaker of the House as Chairman. The proposed expenditure estimates on the Recurrent side of the Budget showed \$19,788,000 and the Capital estimates \$3,287,499. Up to Thursday these Estimates were still under consideration in the Standing Finance Committee. [Text] [Road Town THE ISLAND SUN in English 25 Feb 84 p 1]

UPDATED MAPS--The 1:25,000 scale map sheets of Tortola, Jost Van Dyke, Beef Island, Virgin Gorda and Peter Island have been updated and are currently being reprinted and new editions are expected to arrive in the Territory this year. The Anegada sheet has not been updated, since the previous production was a relative recent one, but is being reprinted, it was announced by the Government's Survey Department. New 1:2,500 scale contoured topographic maps, covering all areas of Jost Van Dyke, Tortola and Virgin Gorda Islands are currently being produced and the first 12 of these sheets (covering the sestern half of Virgin Gorda) are available. Copies may be obtained from the Survey Department. It is expected that the 19 sheets covering the remainder of Virgin Gorda and the 53 sheets covering Tortola and Beef Island will arrive in the Territory soon. All should be available before the end of the year. Please contact Survey Department for further information. [Text] [Road Town THE ISLAND SUN in English 25 Feb 84 p 8]

CSO: 3298/607

## PRIME MINISTER CHARLES INTERVIEWED IN PUERTO RICO

Port-of-Spain TRINIDAD GUARDIAN in English 20 Mar 84 p 13

[Text] San Juan, Mon., (AP)--Dominica Prime Minister Eugenia Charles expressed confidence here last Thursday that the Caribbean Community will survive trade problems and differences over the Grenada invasion.

Although Guyana and Trinidad and Tobago opposed the U.S.-led invasion that was called for and aided by several Caricom members, Miss Charles said the more worrisome problems were in regional trade.

The Organisation of Eastern Caribbean States, which Miss Charles chairs, and Barbados and Jamaica sent troops after requesting U.S. intervention in Grenada last October.

"It's difficult to predict Caricom's future," she said. "We're having a lot of problems in trade."

She said Heads of the Governments of the 13-member organisation would meet as scheduled this July in the Bahamas, and that she felt disputes over the Grenada invasion wouldn't be the major problem.

Our problems (with Trinidad and Guyana) began before Grenada, she said in an interview following a speech to Puerto Rico's Chamber of Commerce.

"Trinidad just doesn't want to buy our products, and Guyana has a serious foreign exchange problem. The biggest blow to Caricom came with the breakdown of a marketing system last year," she said.

She referred to the inability of some Caricom partners to pay for products purchased from member States.

Sees Governor

She came to this U.S. Commonwealth on Wednesday and visited the U.S. Virgin Islands on Friday before returning home Sunday.

While in San Juan she talked with Governor Carlos Romero Barcelo about co-operation under President Reagan's Caribbean basin Initiative.

Miss Charles was also on hand as Chamber of Commerce groups from Costa Rica, Dominica and Puerto Rico signed a permanent agreement to encourage trade between the three areas.

Yoshio Okawara, Japan's ambassador to Washington, said in brief remarks that the United States, Europe and Japan are committed to open markets to the Caribbean "so you can some day earn your own way."

Although she did not mention Grenada directly in her nine-page prepared speech, Miss Charles referred to the Grenada crisis and said the Caribbean region is becoming one of the most stable areas of the world.

CSO: 3298/608

## CROES ON POLITICAL FUTURE OF ARUBA

Amsterdam ELSEVIERS WEEKBLAD in Dutch 18 Feb 84 p 12

[Report on interview with Betico Croes, leader of the MEP, at the Talk of the Town Hotel in Oranjestad, Aruba, by Nico van Grieken: "Aruba and Curacao Are Big Competitors"; date not given]

[Text] Aruba is supported by two economic pillars and one political pillar: oil and tourism and Betico Croes. In 2 years his island will be on its own. "Finally independent of Curacao." And then? Join in a Union with Willemstad anyhow? Croes: "If it has to be under coercion, I would rather negotiate about our real independence." Oil on the Caribbean waves.

The first appointment with Betico Croes (47 years old) did not work out. Apparently, Aruba still knows very well how to find its leader, perhaps especially following last year's regrettable shooting incident. The phone rang every 8 minutes, so we decided to meet a few days later for breakfast in a quiet place in the Talk of the Town Hotel. At half past eight? Half past eight, agreed.

At five minutes till ten that morning we got to our table. Croes apologized. "I spent a few days in Sint Maarten and this morning there were 12 people in front of my house needing attention." Needing attention? Croes: "That is what we call it. The people have questions about the financing of education, about jobs and other problems. That took a while."

We talked without interruption until noon about the promised newly independent country and the somewhat ramshackle impression it gives.

Indeed, life in Aruba has recently been characterized by troublesome power failures, which last for hours, and by even more objectionable, if possible, brown and dirty tap water.

Less surmountable is the drastic drop in production by Exxon's Lago oil refinery. Its capacity, which at one time amounted to 500,000 to 600,000 barrels per day, dropped to a capacity of 300,000 barrels and on to one of 160,000 barrels. As a result, Lago can get by with hundreds of people less. Thanks to favorable attrition regulations, Aruba does not feel this too much yet in terms of expenditures.

However, what will be felt quickly is the serious decrease of Lago's contribution to the government treasury. This year profit taxes will tumble to 55 million Antillean guilders (the minimum is 33 million Antillean guilders), which is in sharp contrast to the last 3 years during which Lago paid up a total of nearly 400 million Antillean guilders.

The golden years of tourism are also gone. Last year, visits by Venezuelan vacationers, buyers and casino-goers plunged by 61.7 percent. While their number in 1982 was still 74,429 in Aruba, in 1983 their number had gone down to 28,474. The plunge is particularly noticeable among the small business people, because the Venezuelans bought a great deal, a very great deal.

Aruba with its 68,000 inhabitants cannot stand much of that nibbling at its only two economic pillars. Without its fountains of life, Lago and tourism, the prospective separate country of the Netherlands Antilles would soundlessly implode.

#### Independent

Thus: how does Aruba think it will tackle things after 1 January 1986? On that date, the island will become a separate entity within the Kingdom of the Netherlands. There will then be: the Netherlands, the Netherlands Antilles and Aruba. Finally independent of Curacao, because that is what it has all been about.

But, no premature cheering. The Netherlands has attached a very important condition to the "separate status": Aruba must form a union with the Netherlands Antilles, and thus with Curacao. This could be tricky, because to achieve a little fruitful Antillean Union requires at least the political will to cooperate. Because so far you would have to look far to find such a will.

The MEP [People's Electoral Movement] of political leader Betico Croes and the Antillean government of Prime Minister Don Martina are still squabbling about the entry of the MEP, the largest party in Aruba, into the administration.

Croes wants to step immediately into Prime Minister Martina's cabinet, but then only through the main entrance, as he puts it. As long as there is uncertainty about whether this means a reformation or a resignation of the cabinet, the complicated political spectacle in the economically increasingly weak Antilles will keep going for a while, and the Union imposed by the Netherlands will also remain in the air. Croes: "If the MEP, the majority in Aruba, is not good enough even now to make important socio-economic and political government decisions -- we feel that serious retrenchments are in order -- then, as far as we are concerned there doesn't need to be a Union in 1986 either."

The Aruban leader even goes a step further: "If the Netherlands is using the 'separate status' as bait to force us into a union relationship with the Netherlands Antilles, then I believe that we should talk immediately about the independence of Aruba. We are willing to open negotiations to this effect."

Commonwealth

Question: Independence inside or outside the Kingdom?

Croes: Outside. As far as we are concerned, however, it could also be a strong commonwealth relationship. Because of our small size and our history, we of course want to maintain our ties with the Netherlands.

Question: What precisely do you mean by commonwealth?

Croes: That remains to be determined further. In that case, Aruba would be a member of the United Nations, but the Queen would be our symbolic head of state. The Netherlands will also have to phase out its defense here, but at the same time it will have to develop initiatives to prevent a vacuum in this area. Perhaps the Netherlands, France, Great Britain and the United States could conclude a defense treaty for the Caribbean. Or perhaps NATO could be extended that far. Aruba itself chooses complete disarmament.

Question: What question will be the subject of the referendum, which is to be held 5 years after the achievement of "separate status?"

Croes: That is premature. In any case, the alternative will not be to become part of Venezuela.

Question: It will not be possible for the alternative to be that you relinquish 1996, the year of independence, either. The Dutch government at least will not want to alter it.

Croes: True. But 1996 will become negotiable if, during our "separate status," the other islands of the Netherlands Antilles also want to become independent and if such a delay will benefit the quality of cooperation within the Union. The members of parliament who were here in January agreed with this.

Gasping with laughter Mr John van der Kuijp is already able to tell how the Union can be thwarted. As former minister of traffic and transportation (in the Martina I administration) and as top official under whom the political structure of Aruba must be given form, he outlined two ways.

The nice one: the presidency of the Union revolves, and thus Aruba hangs on to a list of subjects which must be scrapped under its presidency. The not nice one: simply stay away from the meeting. "Then there won't be a quorum either, hahaha."

Oil

As soon as the conversation turns to the economic interests of Aruba, Van der Kuijp's lightheartedness about the unmistakably unworkable political future disappears instantly. There is one thing that ELSEVIERS WEEKBLAD should remember well: "Aruba and Curacao are and will be each other's great competitors." He pointed his forefinger in the direction of the sea. "Here, 5 miles from the coast near Manchebo, there is oil at 200 meters underground, beneath

a less than 200 meter deep sea. And we will simply leave that oil there until 1 January 1986."

Exploitation of Aruban oil can start only 9 years from now. But, according to Betico Croes, thanks to the exploratory drillings alone Aruba will soon have 500 million Antillean guilders at its disposal. Croes: "We are not, however, going to put that money in the budget; but we will invest it in such a way that Aruba will be able to pay all kinds of benefits with the interest, without touching the capital." The political combatants in Aruba have been warned: Mr Croes will presently conduct a very conservative economic policy.

But he has more irons in the fire: Venezuelan natural gas for example, or better yet, Aruba's own natural gas. Based on seismologic research Aruba has a chance in this respect. If not, then a natural gas pipeline will have to be constructed between Venezuela and Aruba. A profitable one, quoted Croes from a feasibility report.

And what about Aruba as a tax haven? Is there something to that? Really and truly. The island does not hesitate to go up against the, although endangered, in any case highly developed financial and fiscal services provided by the Curacao Antilles route.

#### Switzerland

Currently Aruba still enjoys the advantage of a tax arrangement with the Netherlands and of tax treaties with the United States. But what about later, as an independent nation? Croes: "I think that we will have to regulate it ourselves then. I see Aruba as a tax haven with a zero rate (like Panama, the Cayman Islands and Bermuda -- editor). I see the possibility of Aruba developing into the Switzerland of the Caribbean region and of Latin America."

Last year's shooting affected Croes terribly. But now that he has to take things easier "and no longer drinks," he feels spiritually much stronger. Strong enough to head the "separate status" he has been fighting for for more than 15 years?

"I am in the process of phasing out my political career. But if the 1986 elections were to indicate that I will be called to be prime minister, then it would be a great honor for me to become the first minister-president of Aruba. However, it depends on my health whether I will be a candidate next year as political leader of the MEP. I have to go back to Miami one more time for an operation."

Question: And what will the health of the Aruban democracy be like after 1986?

Croes: This may sound paradoxical, but the MEP is the best guarantee for the democratic functioning of Aruba. Our party is democratic. Today Croes is party leader, tomorrow Oduber or Kelly or whomever. The era of dynasties is past.

8463  
CSO: 3214/115

## DE KONING GIVES DUTCH VIEWS ON INDEPENDENCE

Amsterdam ELSEVIERS WEEKBLAD in Dutch 18 Feb 84 p 13

[Report on interview with Jan de Koning, minister of Netherlands Antillean Affairs and of Social Affairs of the Netherlands, by Nico van Grieken: "Antillean Union or Independence"; date and place not given]

[Excerpts] The Antillean route must remain attractive. The Netherlands will spare its Caribbean tax haven. Minister Jan de Koning: "Even Secretary of State Koning wants to save the Antilles as much as possible." The minister is less nice to Betico Croes: either Aruba joins the Antillean Union or it becomes independent immediately.

The Netherlands Antilles are a constant source of concern. Their economy is extremely vulnerable. The islands stand or fall with the whims of the world economy, the oil trade, tourism and shipping. The Netherlands Antilles cannot really have both the United States and the Netherlands wanting to turn off the tap of tax advantages.

The Second Chamber is going farthest in this. If the Netherlands Antilles do not want to participate in repairing the tax regulations, then we should simply terminate the whole matter: this is the motion which was adopted last year under the leadership of PvdA [Labor Party] member of parliament Kombrink. Since then, Secretary of State for Finance Koning has been very busy trying to prompt the Antilles into agreeing to the desired repair of the tax mazes.

Question: But the Antilles are to a large extent dependent on the tax income from the Antilles route. Won't the Netherlands be wringing their neck if this route is cleaned up?

Minister De Koning: To get rid of the outgrowths will be painful, but we must achieve a normal working of the tax treaty. The Netherlands aims at saving the Antillean interests as much as possible, among other things by being extremely cautious in our own negotiations with the United States. We will make sure that the Antillean interests are not damaged by us.

Question: What does that mean?

De Koning: That we will not act in such a way that we try to improve or maintain our position at the expense of the Antilles.

Question: Your opinion does not agree with that of the Ministry of Finance. The opinion there will be that profits made in the Netherlands should be taxed in the Netherlands. This way you tackle the Antilles route and thus the Antilles forcefully.

De Koning: That position is not completely right. I think that you can achieve an improvement of the tax system without excluding the possibility of the Antilles remaining attractive to Dutch and American enterprises. Secretary of State Koning intends to respect the position of the Antilles and to save it as much as possible.

Question: You are still somewhat unclear.

De Koning: That is necessary during negotiations. Thus, with a wide margin of lack of clarity, I will say: to the extent that it depends on us we don't want to worsen the position of the Antilles.

#### Association

Let us talk about the administrative future of the Netherlands Antilles then. During the 2 years that Minister De Koning has had the six islands in his portfolio he has never stopped saying -- in between the national socio-economic problems of his Department of Social Affairs -- that the Netherlands has a relationship primarily with the association and not with the islands individually. "The relationship will always have to continue to go through some Antillean association," said the minister.

This is one of the reasons why the Netherlands is very attached to the establishment of an Antillean Union in which the six islands must try to achieve some form of cooperation or other. The Netherlands will talk with that Union; otherwise it will not. Thus the Netherlands wants to prevent the Hague from becoming the seat of the six plenipotentiary ministers of Curacao, Aruba, Bonaire, Sint Maarten, Sint Eustatius and Saba. The Antillean Union is aimed at preventing the atomization of the Antilles. Furthermore: if there ever were to be a Caribbean Community, then it would of course be of greater political value if the Antilles could act within the context of a union. Finally, looser ties with the Netherlands compells a stronger orientation toward their own region.

Betico Croes, the leader of the largest political party in Aruba, is not very much impressed by those opinions from the Hague. In his opinion, cooperation between Aruba and the "Antilles of the Five" is unlikely and thus he advises that the Union simply be forgotten. De Koning does not agree with this.

The minister: "I haven't seen any points of view yet which differ from the common conclusion of the Netherlands and the Antilles that a Union must be achieved. Of course I am aware of the many comments about it, but those come from individuals."

Question: And Croes does not voice an official opinion?

De Koning: He didn't tell me that he didn't want a union. On the contrary.

Question: He told ELSEVIER'S WEEKBLAD that he would rather immediately negotiate Aruba's independence than to be lured by the Netherlands into an Antillean Union via the "separate status."

De Koning: That is strong language. That is out of place. The Netherlands is not using the "separate status" as bait to get Aruba into the Union. Croes' conclusion is wrong because his assumption is wrong. One can easily imagine Mr Croes having said, in a moment of being carried away, that he was ready to talk about independence while he was not really looking forward to it.

Question: Perhaps a rash statement.

De Koning: I said: a moment of being carried away. That has a better tone. (De Koning barely managed to keep a straight face but his top official, Mr Moerman, burst out laughing.)

Question: Is the establishment of the Antillean Union a condition sine qua non for the Netherlands?

De Koning: The Union is very important. If such an association were to be impossible, then we would indeed have to strive for the short term independence of Aruba. I would give the same answer if other islands also were to want to withdraw from the Antillean association. If Croes has changed his choice concerning the Union, then I would like to hear about that from the competent body, the Island Council of Aruba.

Question: Aruba is supposed to become independent 10 years after the "separate status" takes effect. That year 1996 will not be altered by the Netherlands. Is that right?

De Koning: That is right.

Question: According to Croes, it should be possible to discuss that date of 1996.

De Koning: Theoretically one can imagine that at the evaluation conference, which is to be held prior to 1996, the development of the other islands will be considered. However, the development of Aruba would not be at issue here but rather that of the other islands.

Question: Hence, Aruba outside the Antillean Union means an independent state without Dutch defense, with its own passport and its own currency.

De Koning: I am still hoping that there will be an Antillean passport rather than, for example, an Aruban or a Saban one. But it is true, if Aruba withdraws from or stays out of the Union context, then Aruba will become independent within a relatively short period of time, and all the rights and obligations which the Netherlands has assumed with regard to the Antilles will cease to exist.

Question: And the fear of Venezuela immediately comes peeping around the corner.

De Koning: From a geopolitical point of view, a close relationship between the Leeward Islands and Venezuela is obvious. But so far it has never constituted an actual threat.

PLP ORGAN COMMENTS ON OECS MEETING, COMMUNIQUE

Castries CRUSADER in English 3 Mar 84 p 1

[Text]

The Communique released by the OECS Secretariat on the meetings held by Foreign Ministers and Heads of States of the OECS here in the course of this week sustained the usual bland "officialese" which gives absolutely no information concerning the proceedings.

It is characteristic of the OECS that they have taken decisions affecting the people of the Eastern Caribbean and positively refuse to involve the people of the Area in the discussions surrounding these crucial events. While it is possible to argue that a Defence Treaty has certain security aspects which might necessitate secret deliberations, the OECS Treaty itself recognises the participation of the people of the Eastern Caribbean as an essential part of any such regional exercise. Regional academicians have identified this "Participation Factor" as the single greatest cause for the collapse of Regional attempts at Integration. Both Sir Shridath Ramphal and William Demas have cautioned the politicians of the Area on this point.

The secrecy surrounding the Regional Defence Agreement was embarrassingly apparent during the soul -searching days of the Grenada Invasion and the illegality of the OECS position. This week exactly the same errors are being repeated and compounded.

The Meeting of the Heads of Government held in St. Lucia this week also involved the Security Chiefs of the different states. It was clearly intended to finalise the details of the Regional Defence Force for the Area. But there is a growing uneasiness about the idea in the Region. The back-lash of world criticism of the OECS blunders has made some states wary of setting up structures and machinery which would make them the butt of further ridicule in the councils of the world.

Deputy Prime Minister of Antigua Lester Bird was firmly against the idea of invading Grenada when he left the pre-Invasion OECS meeting. After the storm broke around the invasion he was forced to capitulate and defend the action in the Antigua House of Assembly but he had stated his objections strongly in a document submitted to Cabinet. The

Government of Antigua, somewhat lamely, claimed that they had intentionally released the document as a trap for civil servants who had been peddling information.

What is significant however is that Deputy Prime Minister Lester Bird absented himself from this meeting and sent a Minister Without Portfolio, Hugh Marshall to represent him. St. Vincent's Foreign Minister Hudson Tannis also stayed away and Minister of Agriculture Vincent Beache.

The whole question of the Regional Defence Force is now being side-stepped by some Governments and the HAWKS in the OECS like the Prime Ministers of St.

Lucia, Dominica, and Barbados are finding it difficult to implement the idea. This week's meeting was a glorious waste of time, money and effort and the consensus for the creation of the Regional Force was just not there and the meeting broke down on this question.

The Communiqué of the Conference took pains to exclude any reference to the Regional Defence Force. It did not even notify the public that decision was taken to try to reconvene a similar meeting in Barbados (where the atmosphere might be more conducive with the US presence) on March 19th.

CSO: 3298/609

**SOCIALIST INTERNATIONAL WOMEN'S LEADER PLANS TO VISIT****Castries CRUSADER in English 3 Mar 84 p 8****[Text]**

The General Secretary of the Socialist International Women, Irmtraut Leirer will visit St. Lucia early in March as a guest of the Progressive Labour Party Women's Arm. As a personal representative of President Lydie Schmit, Miss Leirer will extend solidarity to St. Lucian women and generally bring the PLP women up to date on the activities of Socialist International Women. She will also review the minutes of Executive meeting held in Brussels and London last year and renew calls for the release of Ida Nudel and the establishment of closer contacts with the International of Socialist teachers which at present has two female vice-presidents.

The General Secretary will also discuss the Provisional Time-Table for 1984 which included the just completed Latin American Seminar held in Caracas this week, an Executive Meeting scheduled for Copenhagen on 24th April and further Executive Meetings in Rio De Janeiro and Spain later this year.

The Progressive Labour Party Women's Arm will also stress the concern of Socialist International Women on the question of PEACE and DISARMAMENT. PLP women will urge the peaceful coexistence of nations whatever their ideological systems and call on Heads of Government to renounce the use of violence as a means of solving conflicts.

The PLP Women's Arm will draw attention to the increased militarisation in St. Lucia and the expanding military budgets involved in the creation of a Regional Defence Force, pointing out that such activities take away vital resources needed for urgent problems such as unemployment, starvation, poverty and under-development. The Women's Arm will also discuss the general problems of St. Lucian Women with the General Secretary of Socialist International.

Party Leader George Odium said this week that the visit of Socialist International Women's General Secretary is both timely and important for St. Lucia's increased participation in the Socialist International in 1984.

CSO: 3298/609

COUNTRY SECTION

ST LUCIA

BRIEFS

GUN SMUGGLING BY POLICE--All sorts of weapons are now available in St Lucia since the invasion of Grenada. Reports around the streets claim that automatic weapons are available on sale on the black market from U.S. soldiers. They had the stuff in their possession, smuggled the weapons into St Lucia and are now willing to dispose of them for straight cash. However the picture looked slightly different when the Police Authorities last week discovered that local St Lucian Policemen who had done a spell of service in Grenada had themselves illegally smuggled into St Lucia on their return from Grenada a number of small arms and larger automatic weapons and ammunition. The Police Commissioner discovered that his men had these weapons in their personal possession and the Police authorities were able to recover a few but the majority of the weapons are still "at large" or in the possession of policemen and their friends. This week the word around the Police Force is that ten St Lucian Policemen were charged or brought before the Police Authorities for disciplinary action in connection with the illegal importation and possession of these weapons. The whole episode is causing some concern to the Government and the Police Authorities since there is an increase in armed attacks in the course of criminal offences. But even more disturbing is the fact that the allegiance of individual policemen is clearly uncertain and the very fact that policemen should see the need to arm themselves "privately" hints at discontent, uncertainty and covert action.  
[Text] [Castries CRUSADER in English 3 Mar 84 p 1]

CSO: 3298/609

## REPORT ON ELECTIONS IN PNM; MARTINEAU IN NEW POST

Port-of-Spain TRINIDAD GUARDIAN in English 13 Mar 84 p 1

[Text] Senator Russel Martineau, 39, Attorney General and Minister for Legal Affairs, is the new First Vice-Chairman of the People's National Movement (PNM).

He succeeds Mr Basil Pitt, who this past week was appointed High Commissioner to Canada as a result of which he had to quit the post. Mr Francis Prevatt is Chairman of the party.

Mr Martineau's selection, made on Sunday on the recommendation of the party's Political Leader, Prime Minister George Chambers, and approved by the General Council at its first meeting for the new term, immediately shuts out Works Minister Hugh Francis.

On two previous occasions Mr Francis made a bid for the position, but on each occasion he was blocked.

On the first occasion Mr Francis was one of four nominees for the post of First Vice-Chairman and was top favourite to win had an election been held.

#### A New Face

Mr Pitt, elected to the post in 1978 and expected to resign on his appointment then as Ambassador for the Eastern Caribbean, resident in Barbados, did not resign. As a result there was no election for the post at the party convention held in October 1982.

The second bid by Mr Francis was made earlier this year. Mr Francis's name again came up when nominations were being accepted for expected elections in the 1983 convention held last month. But Mr Chambers got the General Council to approve a cancellation of the election of officers until the next convention in September.

Mr Chambers told the General Council he was unhappy over the list of candidates for the various posts.

At the General Council meeting in January and again at the party convention last month, Mr Chambers said he believed the time had come for the party to show a new face and a new image to the population.

He said then: "I am satisfied that the party has tremendous talent in it, some of which had been deliberately suppressed and if not deliberately suppressed, deliberately kept on the periphery."

In the interim, Mr Chambers indicated that he would make proposals to the General Council for any vacancies that may arise. "And I expect vacancies to arise," stated Mr Chambers.

Indeed, a vacancy arose on Sunday and Mr Chambers made his recommendation. There was no objection voiced, but some members quietly felt that the Political Leader was contravening the party's Constitution.

However, other members reminded that at the General Council meeting in January, and again at the party convention last month when Mr Chambers indicated that he would make proposals on the filling of vacancies, there was no objection.

Also at Sunday's meeting, Mr Chambers as Political Leader of the party appointed a high-powered committee of ten to consider the entire question of a PNM party newspaper and its implications, financially and otherwise, and to make recommendations to the General Council.

The committee comprises Labour Minister Errol Mahabir, Chairman; State Enterprises Minister Ronnie Williams; Attorney General Senator Russell Martineau; Information Minister Miss Muriel Green; Minister in the Ministry of Finance Senator Anthony Jacelon; Mr St Elmo Gopaul, Mr Charles Mungo, Miss Grace Talma, Mr Maurice Marshall of the Youth League and Mr John Commissiong.

Also on Sunday, of 19 persons nominated to serve on the party's Central Executive, ten were selected: Mr Deodath Ojah-Maharaj, Minister in the Ministry of Health Mrs Norma Lewis-Phillips, Education Minister Overand Padmore, Public Utilities Parliamentary Secretary John Scott, Minister in the Ministry of Community Development Mrs Muriel Donawa-McDavidson, Mr Sham Mohammed MP, Dr Joe Laquis MP, Mr Charles Mungo, Mr Albert Joseph and Mr C. Matthews.

Two of the members nominated--MR Ian Anthony and Miss Talma--declined selection to the Central Executive.

Senator Martineau, the new First Vice-Chairman, was appointed Attorney General and Minister for Legal Affairs in November 1981.

He is a Tobago boy who made good. Emerging from Bon Accord Government School, he went on to Bishop's High, then to Dundee University in Scotland, the London School of Economics and Political Science and then the Council of Legal Education where he has been a lecturer.

Mr Martineau observed his 39th birthday on February 7, last.

CSO: 3298/611

## TEXT OF COMMUNIQUE ON INCE'S VISIT TO VENEZUELA

Port-of-Spain TRINIDAD GUARDIAN in English 19 Mar 84 p 4

[Text] Governments of Trinidad and Tobago and Venezuela have agreed on the importance of signing a new fisheries agreement which would contribute to increasing co-operation between both countries and the well-being of their respective communities.

This is contained in a communique issued after Trinidad and Tobago's Foreign Minister Dr Basil Ince paid an official visit to the Spanish-speaking country this week.

Senator Ince was invited by his Venezuelan counterpart Dr Isidro Morales Paul, and during his three-day visit he also met the Venezuelan President Dr Jaime Lusinchi.

#### Solidarity

The communique:

In response to an invitation extended by the Minister of External Relations of Venezuela, Doctor Isidro Morales Paul, the Minister of External Affairs of Trinidad and Tobago, Doctor Basil Ince, paid an official visit to Venezuela from 11 to 13 March. Minister Ince was accompanied by Mr Christopher R. Thomas, Acting Permanent Secretary of the Ministry of External Affairs of Trinidad and Tobago and by Mr Lennox Ballah, Permanent Secretary of the Ministry of Education of Trinidad and Tobago.

During his visit the Foreign Minister of Trinidad and Tobago was received at a special audience by the President of the Republic, Dr Jaime Lusinchi, by the Acting Minister of Energy and Mines and the President of the Institute of Foreign Trade. Likewise, Minister Ince visited the National Congress where he was received by the President of the Foreign Policy Committee of the Senate, Dr Ruben Carpio Castillo.

In an atmosphere of cordiality, in keeping with the ties of a friendship and co-operation which unite the two nations, the ministers examined the state of their bilateral relations and exchanged opinions on general aspects of regional and world interest.

They reaffirmed the traditional democratic vocation of their peoples and the importance of solidarity and joint action between democratic countries and neighbours.

They analysed especially the evolution of events in the Caribbean and reiterated the interest of both peoples and governments in the strengthening of democratic institutions and support for the efforts of the countries of the region to overcome their economic and social problems.

In relation to the situation in Central America, they stated their concern over the conflicts occurring in several countries of the region. They expressed their wish that the electoral processes which are underway in some of those countries would contribute towards creating a climate favourable for regional detente and for the solution of the problems which are occurring in the very countries.

Minister Ince declared that the Government of Trinidad and Tobago is following with special interest efforts of the Contadora Group in the search for a negotiated solution to the conflicts which are affecting the Central American area. Likewise, he pointed out the function which can be discharged by the recently created SELA Action Committee in support of the Economic and Social Development of Central America (CADESCA), in overcoming the grave economic and social problems which are affecting these countries.

On examining the economic crisis through which the developing countries are going, the ministers emphasised the need to give a new dynamism to the economic integration schemes to which they belong, as well as to South-South co-operation, instruments suitable for guaranteeing the integral development of the countries of the Third World and for strengthening their negotiating capacity vis a vis the industrialised countries with the aim of promoting the interests of well-being and progress of their peoples. To this end, they recognised the importance of the recent Economic Conference for Latin America and the Quito Plan of Action.

The ministers presided over working meetings with their respective delegations in order to analyse the previously agreed agenda:

Delimitation of marine and submarine areas; fisheries; energy; mixed Commission on Economic Relations; air Transport and Tourism and questions of security.

They expressed their willingness to realise all efforts necessary for the attainment of a definitive agreement in the negotiations which both countries are carrying out on the subject of delimitation of the marine and submarine areas.

CSO: 3298/611

## INDEPENDENCE OF TOBAGO ASSEMBLY ARGUED IN COURT

Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 84 p 1

[Article by Francis Joseph]

[Text] THE TOBAGO House of Assembly is not responsible to the Government in carrying out its functions, argued Mr. Allan Alexander, S. C., before a High Court Judge yesterday. He contended that, according to the House of Assembly Act 1980, the Government had no power and no discretion over certain functions of the Assembly.

Mr. Alexander said it appeared that Cabinet was of the view that it could decide what and how much statutory responsibility should be given the Tobago House of Assembly under the Act, and how much should be taken away or held back.

Mr. Alexander made the point as the court matter between the Tobago House of Assembly and the Attorney General began yesterday before Mr. Justice McMillan at NIP-DEC House, Port-of-Spain.

The House of Assembly is asking the court to decide whether the Assembly had exclusive responsibility for implementing Government's policy relating to certain matters under a true construction of Section 21 of the Tobago House of Assembly Act 1980.

The Assembly also wants the court to decide whether under the Act, the Assembly has the exclusive responsibility for the operation and maintenance of health facilities in Tobago, including psychiatric clinics pursuant to Government's policy.

The Assembly also wants the court to decide whether the decision by Government to establish a psychiatric clinic at Fort George against its wishes was invalid and in breach of the terms of Section 21(1)(e) and Section 21(2)(u) of the Act.

Appearing with Mr. Alexander for the House of Assembly is Mr. Algernon Wharton, S.C.; while Mr. Bruce Procope, S.C., Mr. Michael de la Bastide, S.C., and Miss Sharon Christopher are appearing for the Attorney General. Hearing continues this morning.

Mr. Alexander said it seemed that Cabinet was of the view that industrial development in Tobago, including the implementation of policy, was Government's responsibility contrary to the terms of the Act.

Counsel asked. "Was Cabinet seeking to shut out the Assembly?" He said when it came to the implementation of Government's policy relating to matters specified in Section 21 (1)(a-e) and the functions to be undertaken by the Assembly under the Act, Government had no business.

"The Government has no power, no discretion with respect to these matters. In carrying out these functions, the Assembly is not the agent of the Government.

### Three Functions

"The Assembly is not responsible to the Government in carrying out its functions. It is only for the Tobago electorate that the Assembly is responsible to the Government.

"It appears to us that the Assembly, with respect to the functions given to it by the Act, must report to the Permanent Secretary. If this means that the Assembly must formally and clearly report to the Permanent Secretary, then it is contrary to the provisions of the Act," counsel stated.

Mr. Alexander stated that even before the Act was put into operation, there was no reason that the Government had to assign these functions to the House of Assembly. He said that Section 21(1) does three things:

--it enables the Assembly to formulate and implement the policy on matters referred to it by the Minister.

--it imposes on the Minister of Finance a duty to consult with the Assembly on matters of national importance.

--it endows the Assembly with the responsibility for implementing in Tobago Government's policy on matters set out in paragraphs (a to e).

"The Act is clear, there is no ambiguity. There is no question of Government assigning these responsibilities to the Assembly. By the terms of the Act, the Assembly has certain powers and responsibilities in respect to some of the matters stated here.

"You will see where the chairman sought to have these matters clarified. Section 21(1)(3) paragraph 2 gives to the Assembly the responsibility for the establishment of the operation of education and health facilities."

Mr. Alexander said that it seemed clear that hospital and health centres fell within the ambit of the Assembly. He said that according to the implied declaration, the implementation of Government policy with respect to hospitals and health centres was contrary to the terms of the Act.

## CEMENT PRODUCTION SCORES INCREASE OF 100 PERCENT IN 1983

Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 84 p 7

[Text]

A 100 PER CENT increase in production was recorded by Trinidad Cement Limited in 1983.

The expanded output which rose from 189,203 tonnes in 1982 to 389,847 tonnes in 1983 was the biggest single rise in the Company's history, according to general manager Mr. Carroll Robinson.

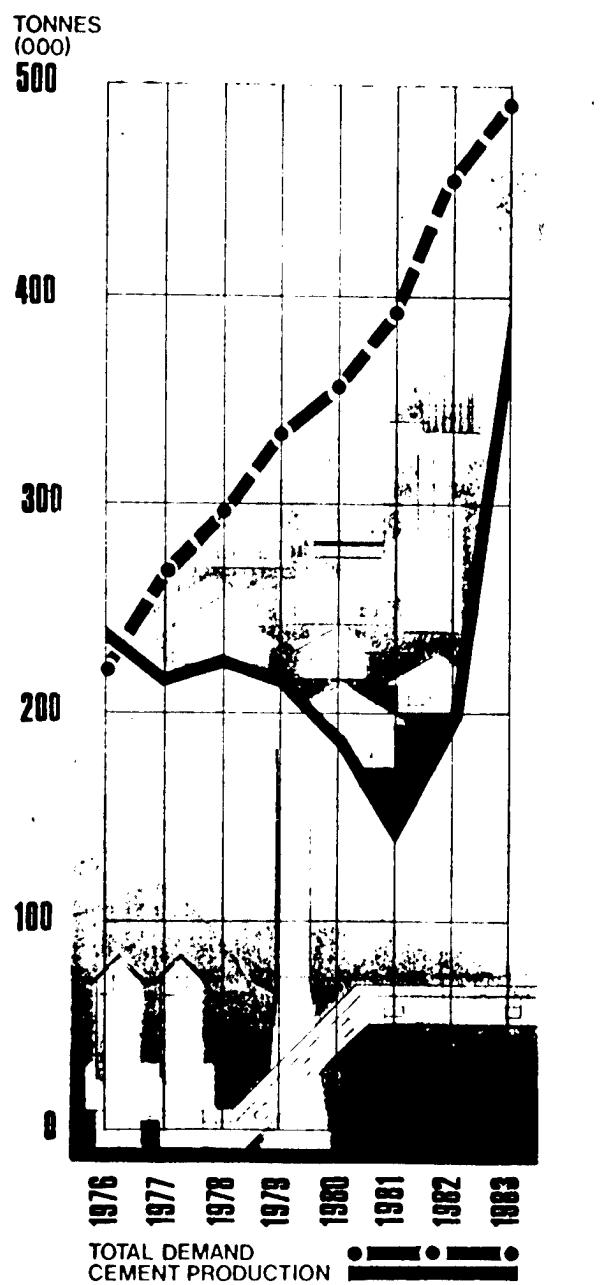
In yesterday's interview, he said that current production was running at 33,000 tones per month in 1984.

This figure is expected to climb from next month with the commissioning of a new plant built by Voest-Alpine of Austria, at Claxton Bay.

As a result, TCL will be able in 1984, to come close to meeting the country's demand for cement. The catching-up in production since 1982 was made possible by using sections of the new plant.

As the graph at right shows, cement production climbed sharply from 1982, and in 1984 will come close to meeting the nation's fast-rising demand that was spurred on by the now-declining petro-boom.

However, the momentum in the construction field and hence, the need for cement, is not expected to decline in 1984. Despite a slide in the number of large projects, there has been a rise in smaller projects



CSO: 3298/623

COUNTRY SECTION

TRINIDAD AND TOBAGO

BRIEFS

VENEZUELAN FISHING PERMITS--TRINIDAD and Tobago is to seek more permits for local fishermen to fish in Venezuelan waters. This country will do so when senior officials of both countries meet in Port of Spain later this month to iron out details for a new fishing agreement. Technical officers from Trinidad and Tobago and Venezuela met in Port-of-Spain Monday and yesterday to lay the groundwork for the second meeting which official sources said yesterday would take the "major political decisions." The source continued: "The existing agreement is a good one and this is borne out by the fact that there were no reports of hostilities faced by our fishermen while out at sea. "There were no reports in the news media which characterised the position before the agreement came into force. "Despite the fact that the agreement is a good one we will be seeking more permits for our fishermen." [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 21 Mar 84 p 1]

CSO: 3298/623

END